

down this land deceiving the people in regard to the reciprocity treaty of that time.

We have heard some discussion of the alleged dangers of the Australian treaty to the dairy and agricultural industries of Canada. Well, let us consider for a moment the origin and the development of the treaty. If you will remember, in 1923 the Right Hon. Mr. Stanley Baldwin, Prime Minister of Great Britain, in his wisdom invited the prime ministers and associate ministers of the various dominions to meet in London to discuss imperial relations and the conditions then prevailing in the constituent parts of the empire and to hold what was known as the Economic conference. Those gentlemen who followed the trend of events, at that time will recollect that Mr. Baldwin declared that it would be in the interests of the empire to have certain preferential arrangements agreed upon between the dominions on the one hand and the Mother Country on the other. He did not succeed with his proposal, for shortly afterwards, on appealing to the people of Great Britain, he and his government were defeated at a general election. At that time however the prime ministers of Canada and of Australia held many conferences, and although the proposals of Mr. Stanley Baldwin proved abortive there was a feeling on the part of the prime ministers of these two great dominions that there was an opportunity to develop trade between the two countries. A trade treaty was therefore taken into consideration by the two governments respectively, with the result that an agreement was ultimately reached.

There seems to be an opinion on the opposite side of the House that a trade arrangement, to be satisfactory, must be entirely one-sided. Now trade arrangements are not made in that way between individuals and they are not made in that way between nations. There had to be reciprocity in regard to the commodities exchanged between the two peoples, and the treaty which we negotiated came before parliament last year and was accepted by parliament. It came into force in October, 1925. Surely hon. gentlemen can allow a trade treaty, negotiated between two dominions within the empire, to operate at least one year before they begin to talk about its abrogation. What has come over the great imperialistic party opposite? Has the Hamilton speech altered the whole viewpoint, the whole imperialistic outlook, of the Conservative party? Has that outlook been so changed that a trade treaty entered into between two of the largest dominions of the British Empire cannot be allowed to function for the short period of one year—I would say two years, but at least one year—

before hon. gentlemen suggest abolishing it? Before the treaty came into effect they went up and down the country telling the farmers that its effect would be to ruin them. Has anyone been ruined? No. Butter is higher to-day in Canada than it was at this time last year, and no one has been hurt at all. Surely there is enough of the imperialistic spirit left in the Conservative party for them to give the treaty at least one year's fair trial.

Mr. PRICE: Will the minister tell us in which provinces butter is higher in price to-day than it was last year?

Mr. KING (Kootenay): I will give that information in a moment. It is difficult to follow the arguments of hon. gentlemen opposite; they put up a straw man, and if the speaker who has the floor at the time does not knock it down before he is through, then somebody else does. And that is characteristic of the whole debate.

Now the leader of the opposition, in his speech on the Address, had occasion to criticize the government because of the high cost of living in December of last year. He said it was a terrible thing that the cost of living had advanced 4 points. But why did he not tell the people of Canada the reason for that increase? Well, I propose to tell the House and the country now what was responsible for it. Potatoes rose  $2\frac{1}{2}$  points; butter 1 point; pork 1 point; cheese  $\frac{1}{2}$  point and anthracite coal  $\frac{1}{2}$  point, or a total of  $5\frac{1}{2}$  points. True, there was a substantial decrease in sugar and there were slight decreases in various other items, bringing the total increase from  $5\frac{1}{2}$  points down to 4 points. While the leader of the opposition was bewailing the fate of the Canadian people because there had been an increase of some 4 points in the cost of living in this country during the month of December, he failed to mention that whereas the ratio in Canada was 1.57 at the end of December it was in the United States 1.70. Is that not something to the advantage of Canada?

My hon. friend opposite wants to know in what provinces the price of butter is higher to-day than it was a year ago. I have that information right here. Montreal is the great market in Canada, and we find that in Montreal in February, 1922, the price of butter varied between 32 and 37 cents per pound; in 1923, between  $41\frac{1}{2}$  and  $52\frac{1}{2}$  cents; in 1924 between  $41\frac{1}{2}$  and 43 cents and in 1925 between 29 and 33. In 1926, after the Australian treaty had been in operation some four months, the price of butter in Montreal