

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, we have had an extended discussion upon the motion to go into supply and the amendment thereto, involving the abrogation of the Australian trade treaty negotiated some few years ago by the late Minister of Finance. A few days ago we also had a discussion with respect to the New Zealand treaty, which arose out of the Australian treaty.

May I venture to say that very frequently there is a confusion of thought as between the Australian and the New Zealand treaties; it is a habit on the part of some members of the house to refer to the New Zealand treaty as though it were the Australian treaty. Such, of course, is not the case. The Australian treaty was negotiated; the New Zealand treaty was not. The Australian treaty represented at least some discussion on the part of the contracting parties; the New Zealand treaty came into effect by an order in council passed under the provisions of section 5 of the Australian treaty. In the one case there was a frank and clear discussion and negotiation; in the other case there was nothing but an order in council in the belief that it was advisable to apply the Australian treaty to New Zealand, regardless of what the consequences might be. These, I think, are facts abundantly established by the record.

Then there is another question arising out of the New Zealand treaty. It has been successfully contended in this house, I think, not only by those who sit to the left of Mr. Speaker but also by those who spoke from the government benches, that the New Zealand treaty has threatened the very life of one of the basic industries of Canada; that if it were continued in its operation undoubtedly it would destroy the dairy industry of Canada, and that a period of at least three years must elapse before the dairy industry in this country can regain the position which it held before the treaty was made, and which it lost by reason of the treaty.

In the case of Australia there is this clear distinction: The government, acting in what the Australian trade authorities believe not to be good faith, imposed upon the imports of butter a dumping duty amounting to 6 cents per pound. The effect of that duty was to shut off importations from Australia, it amounts to prohibition. No such dumping duty was brought into operation against importations from New Zealand. As a result the dairy industry in this country which, in the judgment of those who can speak with authority, is one of or perhaps the most important of the farm industries apart from the growing of grain, has been seriously injured.

This industry also relates closely to the production of meats, of hides and of pork products sold in various parts of the world, and it has been established that unless something is done immediately there is grave danger with respect not only to the butter industry of Canada but also to the hog industry and the related meat industries throughout the country. The loss of 130,000 milch cows, according to the figures given by those able to speak with authority, would mean at least half a million less pigs produced in the country as compared with the years previous to this diminution.

Under these circumstances I never have had the least difficulty in arriving at the conclusion that such a trade treaty as that existing with New Zealand should be abrogated and a new treaty negotiated, substituting negotiation and discussion for direct executive action, and affording an opportunity to this parliament to pass upon the merits of that particular treaty, an opportunity which was not afforded when the treaty now in existence came into being.

We also have this further difficulty. At the moment this country is faced with conditions which certainly are alarming to the thoughtful man. We have an adverse trade balance increasing steadily, and we have therefore a condition which is the negation of that to which the Minister of Finance referred when he was dealing with the Australian situation. How long can this country continue with an adverse visible trade balance? Our trade with Australia, however, has resulted in a great favourable trade balance annually, according to the statements made this afternoon by the minister. That he regards as being very desirable. I made a mental note to ask him why, if it is so desirable in the case of Australia, is it not injurious to continue to increase the enormous adverse trade balance with the United States of America? That trade balance is measured not by millions but by hundreds of millions of dollars, and it must be paid either by the invisible balances or by gold. Under those circumstances, if it is true, and apparently it is true from what the minister has said—I do not think anyone will quarrel with that observation that a favourable trade balance is to be desired, the condition in regard to Australia has been favourable to Canada due to the action taken by the government in connection with the dumping clause.

One thing which there is a tendency to forget is that trade is of two kinds, internal and external. The expansion of this internal trade of this country between the provinces is something which should engage the attention.