

Then a very important point was made by the *Globe and Mail* article, which pointed out that about a dozen Canadian dealers, packers, importers and brokers had built up the transshipment of Australasian meat to the United States into a flourishing business. The business has built up to about 50 million pounds annually. It was also noted that the arrangement violated a U.S. program of voluntary restraints on meat imports, with U.S. warnings to Australia, New Zealand and Canadian dealers, and led to a ban order on June 30. When this was protested by Canada, with the suggestion that it be brought in in easy stages, it was pointed out that the United States had reminded Canada of this and that numerous advance warnings had been issued.

• (9:50 p.m.)

It was also pointed out in an article in the *Globe and Mail* of December 1, that although shipments of Australian and New Zealand beef to Canada had been shut off by U.S. customs officials, there had been evidence that Canadians had been sending in more of its own beef while keeping some of the third country meat. I think this points to the need for a government statement on the situation, if in fact we are to deal with some of the problems that have arisen and if we are to reach the objective of a reasonable and sensible trade arrangement with New Zealand, which I am sure all members in this House would like to see.

The situation I have referred to, and some of the developments over the past several years, are illustrative of the confusion which exists in agricultural industry and agricultural production in Canada. This is illustrated by the fact that last year, I believe for the first time, imports of food into Canada exceeded the value of exports of food. Certainly there is no need for this situation which has resulted solely from government mismanagement and the absence of adequate government policy.

We must avoid some of the problems which have plagued our agricultural industry. We also want to carry on trade with foreign countries, but there is room for further effort to bring about rationalization in respect of the timing of marketing various products, which was referred to by the hon. member for Crowfoot, and in respect of rationalization of production.

I wanted to place on the record our concern about some of the problems which exist. With these few remarks I urge the government to take steps to ensure that in fact the interests of all concerned are adequately protected by arriving at a more sensible solution than appears to have been the case in the past.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have only a few words to say with respect to this bill. First of all, I do not share the views of my friends to the left who express so much fear about the 2,500,000 people of New Zealand. During the war I spent nearly three years with many New Zealanders who were fellow prisoners of war, and I got to know them very well. In 1965 I had the opportunity of visiting that country and formed a good idea of what it can do and what it cannot do.

New Zealand Trade Agreement Act

To suggest that we will be subtly attacked, and that the economy of this country will flounder because of possible changes in our trade patterns with a country of 2½ million people, seems to me a little beyond comprehension. I refer to the remarks of the hon. member for Regina East (Mr. Burton) and the hon. member for Waterloo (Mr. Saltsman). New Zealand has a self-contained economy. It has possibly one of the highest tariff walls in the world, in order to encourage its industry. Here in Canada we complain about the unemployment of half a million people. We get very excited about this situation in New Zealand; if 1,000 men are laid off it is a major crisis because the population base is so small.

It seems to me that in the context of the trade pattern and in view of changing circumstances we must do everything we can to contain New Zealand within our family of friends and the family of nations of which we have been part for many years. Of course, trade has to be a two-way street. Frankly, if we shut the door on New Zealand's agricultural products they will not retaliate in respect of manufactured goods. It is not possible within their economic framework.

In the last couple of years there has been an artificial distortion of the facts because Canada was being used as a port of entry to the United States, mainly by Australia. If its people are smart and can find a way to do things, I think that is fine. The United States has little cause to complain, because it would be the first country to avail itself of a similar device if the opportunity was there. The United States has closed the door on New Zealand and Australian beef products which formerly went into the U.S. because Canada had free entry. I deprecate the tendency to economic nationalism that we have witnessed. We spoke about it this afternoon in respect of the United States and Europe.

We should not adopt a dog-in-the-manger attitude with regard to trading arrangements we can make with our sister countries in the Commonwealth. If we feel we can close the door to New Zealand's agricultural products, what do you think will happen in respect of the \$30 million worth of manufactured goods we now export to New Zealand? The Japanese are waiting to supply these goods, and Australia is willing to supply them. We will in effect be cutting off our nose to spite our face. It seems to me that if we understand the workings of the anti-dumping code and the necessity to upgrade our agreements with New Zealand, the appropriate explanations will be forthcoming. Now that we have heard informally that an amendment will be made and that this bill will be sent to the Committee on Trade, Finance and Economic Affairs, I am sure all hon. members will envisage better trade relations with New Zealand.

I heartily endorse this agreement. I know that members of the cabinet of that country, wartime friends and acquaintances hope that we will be able to improve our relations with New Zealand. This measure is one way of doing that. I urge the House to adopt the motion.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I will require only two or three minutes to complete my