

The Budget—Mr. Hanson (York-Sunbury)

These agreements extend the list of preferences formerly exchanged in the absence of written agreements.

In addition to these ten new trade agreements, the government has been actively engaged in the negotiation of others. Negotiations which have been in progress between Canada and Poland for a trade agreement with that country are now far advanced. Negotiations are also in progress with the United States and with some other countries, notably two in Europe, with which Canada does extensive trade. When the whole program is completed we will be in a position to say that Canada has the most extensive and most favourable trade agreements with the whole world she has ever had. It is a program greater in extent than ever attempted before by any Canadian government.

Mr. RALSTON: And less trade.

Mr. HANSON (York-Sunbury): I propose to discuss that point in a moment; possibly I might as well deal with it now. In the course of his speech the hon. member for Shelburne-Yarmouth stated that we had done a great deal less trade; I believe that is the effect of his observations. Apparently he is content to ignore the fact that since 1929 Canada in common with all other world trading countries has been going through the worst period of depression the world has ever known, whereby not only prices but also volume of commodities have greatly decreased.

Mr. RALSTON: I mentioned it.

Mr. HANSON (York-Sunbury): Well, if you did, it must have been during the time you put us to sleep. I never heard the hon. member mention it, except—

Mr. ELLIOTT: "Stunned" I think, not "asleep."

Mr. HANSON (York-Sunbury): I have only forty minutes in which to speak, and I would ask hon. members opposite to allow me to proceed.

In the course of his arguments the hon. member for Shelburne-Yarmouth made the statement, as reported at page 2103 of *Hansard*, that the average annual trade of this country for the five year period ending March 31, 1930, the time hon. members opposite were in power, was \$2,372,192,198, and that the total trade in the same period was \$11,860,960,000. On the other hand he stated that for the five year period ending March 31, 1935, the annual average was \$1,190,985,038, and that the total during that five year period was only \$5,954,925,194. I have not had an opportunity to verify those figures, but I assume they are

[Mr. R. B. Hanson.]

substantially correct. No doubt the hon. member obtained them from the bureau of statistics.

My first observation in reply is that in the last five year period to which the hon. member referred world trade fell from 66 billion dollars in the year 1928-29 to just about 25 billion dollars, representing a decline of no less than 62 per cent. During the same period the trade of Canada declined only about 50 per cent, so that the statement made from time to time that Canada has come through the depression better than most countries has a real basis of fact.

Mr. RALSTON: Is the figure of 66 billion dollars for the five year period?

Mr. HANSON (York-Sunbury): I understand figures issued by the League of Nations indicate that world trade fell from 66 billion dollars to 25 billion dollars.

Mr. RALSTON: In what period?

Mr. HANSON (York-Sunbury): In the second five year period.

Mr. RALSTON: The 66 billion dollars is for the first five year period?

Mr. HANSON (York-Sunbury): No, I do not think that is correct. There was a general decline of trade from 66 billion dollars to 25 billion dollars, representing a fall of 62 per cent, while in a comparable period the trade of Canada fell only 50 per cent. It must be borne in mind that the value of commodities during the previous period, on a dollar basis, was in many cases more than double.

Mr. RALSTON: What is that?

Mr. HANSON (York-Sunbury): The value on a dollar basis, prior to 1930, fell by about 50 per cent.

Mr. RALSTON: Did the dollar fall?

Mr. HANSON (York-Sunbury): No, but the value of commodities fell. The hon. member knows very well what I am trying to indicate, and the interjections are quite unworthy of him. The real reason however for the apparent great decline in our foreign trade is based on two important factors, namely (1) the great decline in the dollar value of commodities; and (2) the closing of the doors to nearly all our products by reason of the action of our neighbours to the south in placing practically prohibitive tariffs against us in the Hawley-Smoot tariff which went into effect in June 1930. When we consider these two elements we may well congratulate ourselves that our foreign trade came through as well as it did.