

of improving economic conditions in this country and even less prospect of proving a "constructive contribution toward the betterment of world conditions" or of "furthering the ends of international goodwill."

I wish that in the quiet hours that are available to him for reflection upon his official misdeeds as well as his official good deeds the Prime Minister (Mr. Mackenzie King) would carefully consider the basis of his capricious infatuation that by persistently endeavouring to appease the government of the United States we are promoting the cause of international peace. For myself I think that his pretensions in this respect are utterly fanciful.

I recall to the Prime Minister's mind the fact that during the five fiscal years of his regime ending March 31, 1930, Canada's imports from the United States exceeded the United States imports from Canada by \$1,296,000,000, and that, nevertheless, that excessive drain upon the economic life of Canada was followed on June 30, 1930, while the Prime Minister was still in office, by the Hawley-Smoot tariff, which practically prohibited all exports of Canadian farm products to the neighbouring republic and brought Canada to the verge of financial ruin, and ruin was avoided only by the Ottawa agreements of August, 1932, which opened to us in a larger measure the markets of the United Kingdom and of our sister dominions. This country might have some ground for confidence if we could be inspired by the Prime Minister's illusive infatuation that the reduction of our modest tariffs against United States products, which will have the inevitable result of increasing unemployment throughout Canada, will nevertheless save civilization from international conflict. The Minister of Agriculture (Mr. Gardiner) says:

—the six cent preference has not benefited the wheat growers of the western or any other part of Canada.

And the Minister of Trade and Commerce (Mr. Euler) adds:

My colleague, the Minister of Agriculture (Mr. Gardiner) dealt with the matter (of wheat) the other day and I think showed conclusively that the preference was never regarded as of much benefit to Canada.

I put alongside of that statement articles which appeared in the columns of the London *Economist* dealing with the same matter. The London *Economist* of October 9, 1937, in publishing a series of statistics which it describes as the background for an Anglo-American treaty, notes that in 1929, before the date of the Ottawa agreements, Canada sold the United Kingdom 27,190,000 hundred-

[Mr. Cahan.]

weights of wheat, which increased in 1932 to 46,873,600 hundredweights and in 1936 to 57,842,000 hundredweights.

The Ottawa agreements were concluded on August 20, 1932. On the other hand, the *Economist* states that the United States sold to the United Kingdom 22,265,900 hundredweights of wheat in 1929, which was reduced to 4,627,200 hundredweights in 1932 and to 45,400 hundredweights in 1936. And so having given full statistics of the trade of the United Kingdom with Canada and the United States the *Economist* states:

It is beyond question that these (the Ottawa agreements) have dealt hardly with certain American agricultural exports, notably cereals, fruit, pig products and soft wood..... British imports of American bacon and hams, for example, have fallen from £7,364,000 in 1929 to £1,562,000 in 1936, while British imports from Canada have risen from £1,567,000 in 1929 to £5,536,000 in 1936. British imports of American soft wood (principally Douglas fir) have fallen from £2,109,000 in 1929 to £1,144,000 in 1936, while imports of Canadian soft wood have risen from £1,229,000 to £4,107,000. Senator McNary, of Oregon, complained in the United States senate last August that, thanks to discriminating tariffs, the United States had in 1936 supplied only six per cent of the British empire demand for north Pacific lumber against 74½ per cent in 1929.

Again, on November 26, 1938, after the Anglo-American treaty had been signed and when its terms were known in England, the *Economist* further states that:

Very few of the concessions made to the United States will result in any category of American goods being placed (in Great Britain) in a more favourable competitive position vis-à-vis the domestic producer.

That is, the British domestic producer.

Most of the agricultural products affected are not grown in this country, or where they are, the domestic producer is already safeguarded. In these cases the effect of the agreement will largely be to divert a certain quantity of trade from dominion (largely Canadian) to American hands, without increasing the total volume of imports.

And the *Economist* adds:

It is known that we have surrendered some of our preference in the Canadian market, and it may be presumed that, since Canada is a net loser by the British American agreement, she will be a net gainer by her own agreement with the United States, i.e., that the concessions she has given to the United States will be at our expense—

That is, at British expense:
—rather than at her own.

That is, rather than at our expense, at Canadian expense. And in a general summary the *Economist* says that:

Argentina gains from several of the reductions of duty on agricultural produce, notably from