

operators in Russian wood. Russia probably owes us today more than all the other timber creditors put together. . . .

Colonel Morgan did not say that in self defence he was compelled to enter into another contract with the Soviet republic under the terms set out here.

. . . and during the past few years we have been one of the firms acting as agents for the Russians here. This may surprise you, but it is quite obvious that so long as Russian timber can come into this country and is demanded by the buyers we are forced to be in that trade.

I should like to refer to the question of whether or not these agreements will be of any advantage to the Canadian lumber trade on the Pacific and Atlantic coasts. When I was asked to become chairman of the committee I made this statement to the lumbermen's association: "It makes no difference to me whether a cargo of lumber is shipped from Ontario, from British Columbia, from Nova Scotia, from Quebec or from New Brunswick, so long as it is a cargo of Canadian lumber. It means that advantage to Canada." After considering the matter in all its aspects and consulting with the governments concerned for five months before the conference, as well as during the sittings of the conference, the committee made the representations set out in their submission, asking for a twenty per cent preference. They also asked for control of Russia, a partial or complete embargo. Paragraph 21 of the agreement is much more to the advantage of Canadian lumbermen than an embargo against Russia would have been, because it provides for adequate protection against anything in the nature of state dumping from any part of the world. It is true that we did not secure the preference for which we asked, but we did secure a ten per cent preference for Canadian lumber in the United Kingdom market, plus the control of state aided dumping.

Looking back at the position the Canadian lumber trade occupied in the United Kingdom market before 1920, and indeed before the war, when we supplied that market to the extent of 1,250,000,000 feet board measure, as one who has given some thought and study to the question, I say that as conditions gradually become normal and as the present saturated condition of the United Kingdom market clears up, we will get back there with our lumber. We are doing it now in a small way; I know that in British Columbia, where their business is built on such a basis that they can more quickly take advantage of a turn or change in trade routes, they are now profiting to some degree at least by the pro-

[Mr. Nicholson.]

vision in the agreement continuing the ten per cent preference indefinitely in relation to Canadian lumber and timber.

Just last week we had in Ottawa the representative of one of the largest importing firms in the United Kingdom. This gentleman visited New Brunswick and Quebec, where he met lumber and timber operators; he came to Ottawa, where he discussed the matter with the manager of the Canadian Lumbermen's Association, and he went to Toronto, where he interviewed officials of the Department of Lands and Forests, as he did in the other provinces. That gentleman now is on his way to the Pacific coast. What was his purpose in making these calls? As he said himself, his purpose was not to buy lumber today; the market is not available for lumber now. That gentleman came here to establish contacts through which his firm can purchase lumber in the latter part of 1933, in 1934 and thereafter. That was his aim. The lumbermen's committee had no thought that we were going to step right back into the markets that had been taken away from us by ten years of dumping, but as one of those who have studied the question I do not hesitate to say that when conditions become stabilized, under these agreements the Canadian lumber industry will get back that portion of the British market it once held.

What would it mean to the industrial life of Canada if we were to regain that market? It is not a new market; it is a market we lost through the competition—which is not competition at all—that I have suggested. Here is what it would mean: directly and indirectly the production of one billion board feet of lumber in this country would mean the employment of 60,000 men meaning a total population connected with this industry of 200,000 and according to the figures supplied by the bureau of statistics, this would mean a maintained population of 600,000. On the average, the British market absorbs more than 300,000,000,000 feet of lumber. Because of the character of its industries, there is no other country which uses the same quantity of sawn lumber and timber in proportion to its population.

I should like to revert briefly to the bogeymen set up by hon. members opposite. It has been stated that Canada and other parts of the empire sought to impose unfair conditions during the period of the economic conference. In this connection I should like to refer also to the statements made by the hon. member for Shelburne-Yarmouth ridiculing the whole conference and those who took part therein. The manner in which hon. gentle-