

*New Zealand Trade Agreement Act*

• (9:40 p.m.)

This emphasizes that by allowing a surplus of grain to build up in Canada we have brought about a diversion to hog and cattle production. This past year alone, as a result of programs in the province of Saskatchewan the number of cows increased by 86,000 head, and no doubt there was a similar increase in the province of Alberta. This means an increase in cattle herds throughout the country.

Can we sustain an agricultural industry that encourages producers to produce livestock rather than to grow wheat and other commodities that have created a glut? Can we do this by allowing our prices to fall and imports to increase? I repeat that last year in beef alone there was a substantial increase in New Zealand exports to Canada as well as from Australia. Over-all, last year Canada imported something like 7 per cent of all beef consumed in Canada, and this year we have imported something like 12 per cent of all beef consumed in Canada.

With regard to lambs, we have long tried to negotiate with New Zealand and reach an agreement. We have stated that if New Zealand would not export its frozen lamb products to Canada at the same time as Canadian lambs were going to market, we might be able to handle an appreciable amount of New Zealand lamb. Yet repeatedly our market has been hurt substantially by heavy imports of New Zealand lamb at a time when Canadian lambs were going to market. This has had a very depressing effect on price. I am a little reluctant to see Bill S-4 pass when it appears that we are giving New Zealand the right to impose anti-dumping restrictions on Canadian manufactured goods entering their country, while we are not giving ourselves a reciprocal right in regard to the main agricultural imports from New Zealand. Lambs have been an historical problem in the Canadian agricultural market, both as to the timing and the volume of imports.

We should examine this bill very closely and ascertain whether, when the Prime Minister signed the trade agreement on May 13, 1969, he was overtaken by a conciliatory spirit as a result of the hospitality shown him by the New Zealand government. I was interested in the remarks of the hon. member for Waterloo about the New Zealand government being very hospitable to us when we visit their country, yet they are hardly prepared to come here to consult or visit us. The thought has entered my mind that since they have a Labour government in New Zealand, they therefore tend to protect their own market and not be too concerned about their traders. At least, a few years ago they had a Labour government which was not too hospitable to New Zealand's trading neighbours. Since then they may have mended their ways and perhaps become shrewd traders, catching the Prime Minister in a weak moment.

Having said that, I concur with the hon. member for Edmonton West (Mr. Lambert) who stated he could see no reason why this bill should go to the external affairs committee instead of to the committee on trade and commerce. I think this is a very good suggestion since we

[Mr. Horner.]

are dealing here with a country that is almost an equal trading partner with us. If we give them some advantage, we should receive a similar advantage. I say this in view of the concern and the fear being expressed in agricultural circles in western Canada. Since the government is very responsive to fears that are expressed, and perhaps even over-reacts in such matters, I hope it will act normally in this case and refer the bill to the committee on trade and commerce.

**Mr. John Burton (Regina East):** Mr. Speaker, I wish to participate on the debate on this bill for a few moments because I object to the manner in which the government is handling legislation in the House. An agreement has been signed by Canada and New Zealand which, as the Parliamentary Secretary quite properly pointed out, requires ratification by the Parliament of Canada. However, my objection has to do with the fact that we did not hear a single word from the Parliamentary Secretary about some very significant events and developments which have taken place since the agreement was signed. It seems to me that if we are to have any sort of reasonable or sensible debate on the subject of this agreement, it is important that the government give us some information about developments since last May.

As has been pointed out, relations between Canada and New Zealand have not been at their best for some time. Possibly one reason for this is that we both produce similar products, particularly in the field of agriculture, and these products compete with each other. Naturally, this poses some difficulty in reaching a good trading agreement.

However, I think it is important to take note of recent developments, as did the hon. member for Waterloo (Mr. Saltsman) and the hon. member for Crowfoot (Mr. Horner). Toward the end of last June it became quite clear that a serious situation was developing. There has been a flow of livestock products in both directions between Canada and the United States. Generally, we have seen a greater importation of cattle from the United States to Canada than vice versa. However, we also found there was a fairly heavy movement of cattle or manufactured meat particularly from Australia and New Zealand which was being shipped to the United States via Canada.

This situation reached the stage where toward the end of last June the United States government decided it would have to impose restraints against further shipments in view of the fact that direct shipments from Australia and New Zealand, plus the shipments coming via Canada, were such that there were protests from U.S. farm organizations. As the *Globe and Mail* of July 17 pointed out, officials were dickering about the duration of the trade suspension, which officials estimated would be two months at the outside. It would be useful to have a further outline from the government as to what actually took place. The *Globe and Mail* article also noted that the glut of manufactured meat became a threat when the United States called a halt to imports of the Australasian variety by way of Canada.