

*Australian Treaty—Mr. Bennett*

very lines which Peel had then expressly laid down. In the case of wine and brandy, Sir Robert Peel had said that he did not reduce the duty, because he hoped that they might employ these duties—

I commend these words to my hon. friends on the government side, words quoted from Sir Robert Peel:

—“as instruments of negotiation, with a view of effecting a reduction in the duties imposed by other countries on the produce of our own country.”

I wonder if hon. gentlemen realize the true significance of those words. Let me repeat them:

—“as instruments of negotiation, with a view of affecting a reduction in the duties imposed by other countries on the produce of our own country.”

Again quoting from Sir Robert Peel:

“I am disposed, to carry too far that principle of withholding from ourselves the benefits of reduction of duties in order to force other nations to act in a reciprocal manner, and in many cases we weakened the effect of instruments we held in our own hands by reducing the duty of articles relative to which negotiations might have been entered into. Our general rule was that in cases where the articles were elements of manufacture, or where there was risk from smuggling, we took to ourselves the advantage likely to arise from a reduction of duty on these articles; but in others, wine for example, we made no reduction of duty, and intend to make no reduction of duty, in the hope that we shall induce other countries to give to us an equivalent advantage.” The discussion therefore between Mr. Gladstone and Cobden at Hawarden in 1859 turned upon the means of realizing the hope then expressed by Sir Robert Peel in 1843, and expressed by him not casually, but as an element in a deliberate policy.

Now, sir, that principle laid down by Sir Robert Peel in 1843, and once more asserted by Gladstone in his conversation with Cobden in 1859, made possible in the end a commercial treaty between France and Great Britain. It laid the foundation of the great fame and reputation of Cobden, and it also did much to improve relations between the two countries. The principle laid down by Peel I commend to my hon. friend from Rosetown (Mr. Evans) in particular, and I commend it to every other hon. member: that the reduction of duties in themselves may imperil the very negotiation that has to be carried on for the purpose of making decent commercial treaties with the countries with whom you would deal. That principle apparently was in the mind of the late Minister of Finance (Mr. Robb), because when he endeavoured first of all to negotiate a treaty—after negotiations had been initiated by my hon. friend from Vancouver Centre (Mr. Stevens) in the short time that he was at the department—

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he did so on the theory that having as he had an opportunity to increase the general tariff to have something to bargain with, he reduced the items which were to be the subject matter of negotiation so he would be able to make a reasonable agreement. But hon. gentlemen would not permit that to be done. It was not done, with the result that this treaty was negotiated between Australia and Canada, and I say frankly to the house that had I been a member at that time I should have voted against the treaty. That treaty disregarded certain fundamental principles that should obtain in the negotiation of treaties between countries. One of them was referred to by my hon. friend from Vancouver North (Mr. McRae) yesterday. It is this: no treaty made between this country and any other country in the world, whether it be the motherland, a sister dominion, or a British colony, is ever upon a sound basis if its effect is to destroy a basic industry of this country. That is fundamental. The effect of the treaty made without negotiation, by order in council, was, as I pointed out this afternoon, to destroy one of our basic industries. This so-called Australian treaty negotiated by the late Minister of Finance was a treaty which but for the bad faith shown by the Canadian government in putting a dumping duty upon Australian butter, would have wrecked entirely the industry that has been so seriously threatened by the treaties that have been made. There is no gainsaying that. It is obvious to every man and is known to all.

Let us see what happened. When that treaty was negotiated and brought down to this house for acceptance, the Right Hon. Arthur Meighen pointed out exactly what would happen, the member for Welland (Mr. Pettit) also pointed out exactly what would happen, and it has happened exactly as they said. But the hon. Minister of Agriculture (Mr. Motherwell) put the dumping clause in operation against Australian butter, although the Paterson agreement was in force at the very time that the treaty was negotiated. That Paterson agreement was not something new, it did not suddenly spring into being, but it afforded the government in the view of the Australians an excuse, not a reason, to do something which they say, and I think properly so, is not in good faith between two countries making treaties one with the other. That is only five short years ago. Let me recall what has happened since. In the meantime we have established a channel of trade for some of our products in Australia, and they have established a trade for some of their products here. I was rather