

Throngs Hear Mr.

Liberal Leader Champions C.N.R., Deplores Attempt To Make Issue

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of "Canada First," declaring that the Liberal party had done too much for British and Empire trade. The Conservatives, promising to end unemployment and find profitable markets for the farmers, were put in office, and now ask the electors of South Huron to forget all about the breaking of these promises during the past two years; all about the way in which tariff walls have been raised against Britain as well as other countries; all about the stagnation of trade, the fall in prices and the increase of debt, and to accept a new set of promises based on Imperial Conference agreements not yet made known in their entirety to a single elector in the constituency.

Election Sprung in Hurry.

"Let me ask you this question, and ask you to think about it between now and Monday next, and to think about it when you are casting your votes on Monday next. If what the Government has done at the recent Imperial Conference has been so much in the interests of the farmers of Canada, think you were told by one of the ministers that three-fourths of what had been done in the interests of the farmers—why did the Government bring on this by-election just three days before Parliament opens, rather than three days after, when the agreements in their entirety will, we hope, have been laid upon the table of Parliament? Or, better still, if the agreements arrived at at the recent conference were going to mean so much to the farmers of Canada, why did the Government not wait, not only until after the agreements were tabled and published, but until after they were fully discussed in Parliament, and until the Conservative members, who were to participate in the campaign, could come into this constituency with copies of the agreements in their hands and point out to this community just wherein it was going to benefit what has been done."

"Remember this, the law respecting by-elections permits of the lapse of six months before a by-election may be brought on to fill a vacancy in the House of Commons, and that, not six months from the time the vacancy occurs, but six months from the time at which the Speaker of the House of Commons has been officially notified of the existence of a vacancy, and has himself notified the chief electoral officer of the issue of the writ. Since the present government came into office, if we except the vacancies in South Huron five vacancies have arisen. With the exception of one of these by-elections, occasioned by the resignation of one of its own supporters, where the government felt it to be in its own interest to bring on the by-election almost immediately, in no case was the by-election brought on in less than four months after the vacancy had occurred. In one case, five months were allowed to elapse; in another, seven months, and in another, ten months or nearly a year. In the case of South Huron, measuring the time from which the vacancy occurred, the government had until after Dec. 6 within which to bring on the by-election. If it is true, as I understand the fact is, that parliament is now to meet only for a few weeks, and that for the purpose of approving the agreements which were entered into at the recent conference, and is then to adjourn until the new year, why, if the government has done so much for the farmers of Canada by the agreements, did the prime minister not wait until the period of adjournment, when all that he had done would be fully known, and have the by-election immediately thereafter? It would have been a matter, at the most, of a difference of a few weeks."

"There would appear to be only one explanation. The government did not dare to make the agreements of the conference as they will become known in their entirety, the issue of the by-election in South Huron. They have brought on the by-election at this time in order to have it over before the agreements in their entirety are

published, and discussion takes place upon them in parliament. They ask you, meanwhile, to vote in the dark, and to vote solely on what they tell you the agreements will mean. They give you only more in the way of promises. The electors of our country and of this constituency in particular, have had some experience of the unfulfilled promises made by the present administration. Surely it is little short of an insult to the intelligence of a farming population to ask you to voice your approval of trade agreements which are still unpublished, and of which the details are still unknown."

Liberals to Promote Trade.

The Liberal party will continue to seek the promotion of trade as the basis of Canadian industrial and commercial development. That development, it believes, has been seriously thwarted and to a large measure paralyzed by the excessively high tariffs enacted by the present administration and by the incessant instability and still more effective restrictions, which have resulted from unwarranted administrative action. The disastrous effects of the policies adopted by the present government have been felt in all parts of Canada and by all classes. Producers, manufacturers, importers and exporters, the wholesale and retail trades, agencies of distribution, and consumers have all suffered through the strangulation of trade, which has inevitably followed the policies and methods of the present administration. Especially has the Government's action in the prohibitions and restrictions it has placed on trade served to intensify in Canada all the ill-effects of the world depression. In normal times they would have been most serious in their effects upon employment and transportation; combined with the inevitable shrinkage in the volume of trade occasioned by world conditions, they have been positively disastrous."

Gave Parliament Control.

"The Liberal party, under Laurier and Flavelle, aimed as well at certainty and stability in the administration of the tariff. True to Liberal tradition, it never permitted the executive to override the intentions of Parliament in the manner in which it administered the laws which Parliament had made. Much less did it permit a surrender to the executive of the rights, responsibility and functions of Parliament itself, by permitting to be done by order of the governor-in-council and by departmental regulation, what Parliament itself would not for a moment have enacted. It made known its enactments, and so administered them as to find in their letter the spirit of the law. It was with the Liberal administration over which, from 1921 to 1930, with but a brief interruption in 1926, I had the honor to preside."

"We sought to bring the country out of the depressed condition in which we found it when we came into office, not by imposing fresh burdens to trade not by raising duties against importations from foreign countries, and above all, not by imposing fresh imposts against Great Britain, so as to reduce the value of the preference by reducing the preference itself. We did the very opposite. During the years we were in office we steadily reduced the tariff, especially on the instruments of production, on many of the articles which have an important bearing on the costs of production and upon articles and commodities which affect the cost of living. We not only increased the British preference in a variety of directions, but we gave to importers of goods from Britain, where they came in under the preference, an additional discount of 10 per cent of the duties where they were imported via Canadian ports. Moreover, not only were duties lowered against other nations, and Great Britain in larger proportion, but in the case of both the duties in many cases were abolished altogether. The free list steadily increased."

For All Classes.

I would repeat today what I said at Winnipeg before the opening of the last session of Parliament—that the

Canadian tariff should be brought immediately to the level of what it was at the time the Liberal party went out of office in 1930, in other words, to a level the equivalent of that established by the Dunning budget; that there should be a 50 per cent British preference as a minimum where goods are brought into Canada through Canadian ports; that an advisory board on tariff and taxation should be immediately reconstituted; that its proceedings should be open to the public; that the matters referred to it should not be only such as the government of the day may wish to bring before it, or as may be of concern to the manufacturers of Great Britain, but that all classes in Canada, consumers, producers, as well as those associated with manufacturing, whether in Canada or Great Britain, should have the right to appear and be heard before the board with respect to any tariffs, existing or proposed."

A step equally, and in some respects even more important at the present time is the need for the restoration of complete control by Parliament over customs tariffs and all other forms of taxation, and their administration in conformity with the will and intention of Parliament. In other words, what is required is an end to legislation with respect to the tariff by orders of the Governor-in-council, an end to the defeat of the intent and the will of Parliament by departmental rulings, and by arbitrary exchange valuations and regulations, artificial and unwarranted valuations for dumping purposes, and all that mass of pernicious bureaucratic action which, by the creation of what might be described as so much in the way of barbed-wire entanglements and other forms of obstruction, has not only made for restrictions upon trade never contemplated by Parliament, but which has contributed so much to tariff instability and uncertainty."

Should Not Wait.

These are measures which should not wait upon the approval of any agreement. They are needed and should be effected at once. If not effected immediately, the Liberal party will continue, in season and out of season, in parliament and out of parliament, to urge their adoption, and will, when returned to power, see that they are given immediate and no uncertain effect."

Another barrier to trade that should be immediately removed, and which if not withdrawn before a Liberal administration comes into office will then be among the first of its recent enactments to disappear, is the so-called 3 per cent excise duty imposed upon all goods coming into Canada. It is claimed by the present administration that this excise, which was fixed at 1 per cent in the first instance, and imposed for the first time in 1931, and which was in 1932 increased to 3 per cent, was enacted for purpose of revenue. How absurd an argument of the kind it must be apparent when it is realized that this tax on imports is over and above the duties imposed by the tariff schedules, and the valuation for duty purposes, which makes it more nearly an additional tax. The tariff schedules are already so high as to have caused the tariff as a revenue-producing agency to be less than half the value it formerly was."

Camouflaged Protection.

There could be no better example of camouflage protection than the so-called excise duty affords. The trade agreements which have already been made public must make it apparent that everything will depend upon the interpretation and the methods of administration to be given certain of the provisions which they include. Where there is doubt as to the meaning of any of these provisions, the Liberal party takes the view that they should be given the interpretation which will most effectively serve to increase trade and to eliminate what may be regarded as obstacles to its freer flow."

In concluding what I have to say on trade, may I repeat that while the Liberal party is desirous of promoting inter-imperial trade as largely as possible, and to find as wide markets as may be possible within the British Empire, the Liberal party believes that what Canada needs above all else is world markets, and that, to this end, she should be free and ready at all times to enter into preferential trade arrangements with any country which may be prepared to trade with us. We believe that foreign markets will be found and will grow only with our own increased willingness to trade. We also believe that it is only by greater freedom of trade that the cost of living can be kept within bounds for the masses of the people and that the burden on both producer and consumer can be lightened. Moreover, we believe that increased trade will alone serve to solve satisfactorily the most pressing of our national problems today, the problems of unemployment and of our railways. Increased trade is the life blood of our languishing transportation systems. It is equally the lifeline which alone can save those who are suffering today through lack of work."

It is not alone because we ourselves believe so strongly in more in the way of trade as a means of solving Canadian problems that we urge our point of view with the emphasis we do, but because we believe less in the way of restriction and more in the way of freedom of trade is also part of the larger need of the world today, and is essential to world progress and world peace. We believe that within the past two years Canada has experienced enough of the baneful effects of high tariff barriers and a multiplicity of restrictions to cause her not to wish to have to suffer longer under impositions such as she has had to endure since the present administration came into office. We believe the Canadian people have had their lesson in the fallacies of protectionist doctrines as they have been exploited by the present administration, and that Canada wants and expects something very different in the years ahead from what she has experienced in the last two."

CANADIAN NATIONAL

There is another matter which, it seems to me strange, should have been brought into discussion in the present by-election by one of the ministers of the crown, and that is the Canadian National Railways. It can scarcely be argued by the Hon. Dr. Manion that this was not done deliberately or that it was not done for political reasons. No one in this by-election campaign had mentioned the railway situation until he brought it up for discussion, and why should he have brought it up in a by-election contest unless it were for political reasons? That is the only conceivable motive. It was the more extraordinary he should have done so considering

Why the Change?

Why, may I ask, all the change of attitude towards the Canadian National Railways, which the country has witnessed on the part of the Government since the present administration took office? There has been no end of detracting of the railways, and of many of those charged with the direction and management. There has been nothing too small for criticism. No error of judgment, or questionable act, whether the size of a molehill or not, but the energies of an entire political party have been bent to making it into a mountain of wrong. Once the Canadian National Railways are mentioned in Tory circles, pessimism, gloom, despair, prevail immediately."

I ask you to contrast this attitude, which we all know only too well, with the attitude of the Liberal Government and party when it was tackling the railway problem it had in hand. And I ask you to contrast the problem of Canada's railways, as it presented itself in 1921, when the Liberal party took its solution in hand, with the problem as it was, and has become since our successors took office in 1930. In 1921, practically everything pertaining to the government-owned railways was in a state of bankruptcy and demoralization. Chaos reigned. The properties, for the most part, as respects roadbed, rolling stock and equipment, were either out-of-date or out of repair. No co-ordination, practically no co-operation between the several systems. Unification nowhere, duplication everywhere; traffic lessening, and costs mounting. Today, the Canadian National System is as fine a railway system as is to be found anywhere in the world—or, at least, was such two years ago."

Why Single Out C. N. R.?

The fact that for some time past the Canadian National Railways have been running behind is not a reason why they should be singled out for special condemnation. That has been the unfortunate fate of their great rival, the Canadian Pacific in Canada, and of every railway on this continent. It is inevitable that a period of depression, which adversely affects trade, will make itself felt in the earnings of railways almost before anything else."

While the Canadian National and the Canadian Pacific have alike shared in the common fate of all common carriers at this time, it is certain that neither of them would have encountered anything like the shortage of revenues they have, had the present Government's policies of trade restrictions and prohibitions not been what they are. Had trade, both import and export trade, been permitted to flow in natural channels, the railway problem would not be in Canada what it is today, and it will never be

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