

Special War Revenue Act

customs tariff from one to three per cent, had raised all existing duties higher by two per cent. May I say to my hon. friend that the effect of this increase will be to make still more difficult trade between this country and other parts of the British Empire and other portions of the world. As the Minister of Finance well knows, the present rate of duty is prohibitive on a very large number of articles, and on those on which it is not prohibitive this increase of three per cent will have the effect of making trade practically prohibitive.

This is May 24, known as Empire day, Victoria day. I desire to make a special appeal to the minister and the ministry on this Empire day on behalf of trade within the empire, and to request the minister to consider favourably exempting, so far as this so called excise tax is concerned, all commodities coming into Canada from any other part of the British Empire. That would be extending a preference of at least three per cent to all the other parts of the British Empire upon goods imported therefrom into Canada. It would not lead to any great inflow of commodities, because there would still remain the very high duties which have already been imposed against Great Britain and the other dominions by the lessening of the preference which has taken place since the present administration has come into office. Coming on the eve of the Imperial economic conference, it would be a gesture which would go very far in the way of indicating an attitude of approach, of good will, which might have very valuable effects when the conference meets in this city.

The Minister of Finance has intimated that this tax is intended for revenue purposes. As I said yesterday, it really is a tax which will have the effect of lessening the revenue that is now being obtained from goods that come into Canada from other countries, because it will make still more difficult the importation of goods. He can derive revenue only upon commodities which enter this country. Furthermore, it is a tax upon the Canadian people; the consumers in Canada are the ones who will have to bear, I imagine, the whole burden of the tax. I do not think any foreign country or any other part of the British Empire will bear any appreciable portion of it; it will be just one more burden added to those which the already overburdened taxpayers in this country have to bear.

May I take advantage of speaking at the moment on this subject of customs duties to say to my hon. friend that if the Imperial conference is to result in any increase of trade between the different parts of the Brit-

[Mr. Mackenzie King.]

ish Empire, it will not be by merely taking one, two, three or four per cent off some of the already existing high rates of duty, and leaving duties that are still very largely, if not wholly, prohibitive. It will only be by the government realizing that trade is what this country needs at the present time and that trade to any appreciable extent can take place only as there is both import and export trade. The late Right Hon. Joseph Chamberlain, who was a strong advocate and by some designated the father of certain forms of proposed preference within the empire, as long as thirty years ago, made very clear what he had in mind concerning the advantages to inter-empire trade, and in other respects, which, would accrue from the preference, and how alone those advantages could be obtained. I shall read just one statement made by the late Mr. Chamberlain, which has an important bearing upon what I am now discussing, and more particularly upon what the government will have very carefully to consider in connection with the forthcoming Imperial economic conference. The statement was made in 1902 and is as follows:

The very valuable experience which we have derived from the history of the Canadian tariff shows that, while we may most readily and most gratefully accept from you any preference which you may be willing voluntarily to accord to us, we cannot bargain with you for it, we cannot pay you for it, unless you go much further and enable us to enter your home market on terms of greater equality. . . . So long as a preferential tariff, even a munificent preference, is still sufficiently protective to exclude us altogether, or nearly so, from your markets, it is no satisfaction to us that you have imposed even greater disability upon the same goods if they come from foreign markets.

That statement is as applicable to conditions to-day as it was at the time it was made by the late Mr. Joseph Chamberlain. If my hon. friends hope to encourage trade between different parts of the empire, and particularly between Great Britain and Canada, as we on this side all hope they may succeed in doing, they will have to abandon their so-called "Canada first" policy, based as it is upon the idea that no goods are to come into this country which can be produced or manufactured here, and that the only preference which will be given will be one over and above a tariff which is sufficiently high to prevent any kind of competition with goods that are produced or manufactured in Canada. Because there is a wholesome element of competition, it does not mean that the industries of this country are thereby going to suffer. It rather means that they will have to put on an extra spurt, and in the end probably be more efficient than they otherwise