

by the speaker who preceded me (Mr. Stirling), I think I would try to avoid any mention of any particular commodities or any individual industries, because once one embarks upon a discussion of details it is pretty hard, within the time limit, to cover any ground at all.

What has interested me particularly in the debate has been the issue that seems to be developing between the government and the Conservative opposition. The opposition seems to be disinclined to come out strongly against this trade agreement, but rather to take the position that time alone can tell whether it is a good agreement or not. It is true that time alone can tell what the effect of some of the changes in individual tariff items will be, but it does not require time to tell a reasonably intelligent and patriotic Canadian whether he should be for or against the agreement. If it did, no government would dare sign such an agreement, and no opposition would dare oppose it. But this agreement is not pure speculation; it is not a leap in the dark; it is an agreement that is based on certain principles, and whether one is for or against the agreement should depend not upon the passage of time but upon one's belief or disbelief in those principles. The people of Canada will, I submit, judge the opposition, just as they will judge the government, according as they approve or disapprove those principles.

What does this trade agreement do? What are the principles underlying the making of it and the provisions of it? It seems to me that they are four in number: First, that it was the duty of the Canadian government to facilitate rather than to obstruct the making of the agreement between the United Kingdom and the United States. If one believes, as this government did and does, that the frustration of the negotiations between those two great democracies would have been a calamity, economic but not wholly economic, conditions being what they are in the world to-day, then he believes in one of the principles underlying this agreement, because an agreement of this kind was a pre-requisite to the other agreement.

The second principle is this, that it is in the interests of this country and all countries that the United States and the United Kingdom keep to the pathway of greater freedom of trade instead of greater restriction of trade. The two latter are now protectionist countries. We are not directly affected by Great Britain's protectionism to more than a very small extent, because she lets most of our products into her markets free of duty. But nothing has hurt this country more, economically, in the past than the extreme protectionism of the United States of America;

and in my opinion very few things have hurt the United States or the world more. This is not a theoretical question. Many industries in this dominion have had bitter experience of the exclusion of their products from the United States market. And, if we assume that a turning point was coming in the course of the fiscal policy of the United States, it clearly was the duty of Canada to take a course that would lead to the stemming of this protectionist tendency in the United States instead of the encouragement of it. There is in the United States, as in most countries, continuous pressure on government by special interests to exclude competitive products from abroad. By this agreement this tendency is checked and a direction given to United States fiscal policy which will be of immeasurable benefit to mankind. If one believes that this development is important and salutary, he believes in another of the principles underlying this trade agreement.

The third principle is that the stabilization of our trade relations with the United States and the United Kingdom is desirable. The agreement with the United States was terminable by notice at any time after December 31, 1938. By that I mean that a notice could have been given before or after December 31, 1938, provided the agreement itself did not terminate before that time. It would have been most unsatisfactory for Canada to drift precariously in ignorance as to whether the agreement would be terminated, and if so, when. It was most important to give the future of our trade relations with the United States some certainty, and equally important to do so conformably to the wishes of the United Kingdom, so that when 1940 arrives we can expect a continuation for a considerable period, of the satisfactory trade relations which exist between Canada and the United Kingdom. The making of this agreement accords with the trade agreement policy of our two great customers, and places our own trade relations with both on a stable basis. This, it seems to me, is the third principle of the agreement.

The fourth is that our main trade interest as a great exporting nation, the fourth exporting nation in the world, is to have tariffs low in this world rather than high. The conclusion of a trade agreement between the United Kingdom and the United States with a large number of reductions in the tariffs of both countries, the benefits of which extend to many most favoured nations, is bound to have far-reaching reciprocal effects, of which we, as a most favoured supplier of those nations, will in the future receive the benefit.