

cuts in the income tax, while there has been practically no cut in the customs tariff even this year. That fact stands out so distinctly that it is impossible to examine the budget, having regard to the conditions existing in the House of Commons, without realizing that with a majority of the members of the house belonging to the Liberal party we cannot get away from the old protectionist policy introduced by Sir John A. Macdonald. When I use that argument some of my Liberal friends say to me, "What about the British preference?" The Conservative party should have the same credit for carrying on the British preference after it was introduced as the Liberal party gets for carrying on the old national policy of the Conservatives.

Can we cooperate with the Conservatives? This question of low tariff and free trade is not an idol to worship, any more than is the question of protection. I am not particularly interested in declared or known policies; I want applied policies. Whatever the Conservative policies have been in the past, I am willing to accept the statements which have been made these last two years. If they mean anything at all there is more real equality in the applied policy as defined by the Conservatives than there is in the policy of lowering the tariff less than 1 per cent on an average, and letting it go at that.

Mr. ROBB: I suppose the hon. member has arrived at that percentage by considering the large importations of alcoholic liquor from the United Kingdom.

Mr. BENNETT: What has that got to do with it?

Mr. KENNEDY: Any average you may take is subject to qualification. It is a wonder we did not have some of it last year, and that is why I made that statement in my speech on the address. No reference however was made to it. In a matter of this kind you have to deal with averages, because you are dealing with the whole policy. We are dealing with averages when we consider the income tax and in connection with the Conservative policy; that is the only basis of comparison which can be made.

The following statement, which appears on page 3785 of Hansard of 1925, and which was amplified last year by the member for St. Lawrence-St. George (Mr. Cahan) was made by the Right Hon. Arthur Meighen in the form of an amendment:

That a tariff commission should be appointed representative of the three great classes of Canadian industry, agriculture, manufacturing [Mr. Kennedy.]

and labour, and be entrusted with the duty of studying Canadian tariff problems, in their every bearing and of making from time to time such recommendations to the government as it deems in the general public interest with the reasons therefor, and with power also, where it finds unfair advantage is being taken of protective duties, of making recommendations to be given effect by the government for removing or reducing tariff schedules or imposing special excise taxes upon product in respect of which such advantage is taken, and that its reports, findings, recommendations and reasons therefor be given to the public.

As I understand the Liberal policy it is about 1 per cent below that of the Conservative, but the manufacturer can take any advantage he likes of the protection given, whether it be 20 per cent, 25 per cent, or 30 per cent. I do not know whether the Conservatives will carry out their declared policy, but they will have to come across with it if I can make them because I believe it would be a good thing to have one party in this house if it did nothing else but keep the one or the other of the major parties to the promises which they may make during election time. If the Conservative party can apply their policy, even though it is 1, 2, 3 or 4 per cent higher than the present tariff, it will be nearer to equality in tariff matters, so far as all the people of this country are concerned, than the policy which has been in effect for the last seven years.

The member for St. Lawrence-St. George (Mr. Cahan) made a statement last year, and I assume that he was speaking for his party or otherwise my argument does not amount to anything. This statement appears on page 620 of Hansard of 1928, and in part is as follows:

4. The stabilization in Canada of the costs of living and the costs of implements of production on such comparatively low bases as will enable our people, in producing and selling our surplus of national products abroad, to compete advantageously with the products of foreign countries in our common markets abroad.

5. The reduction of the customs tariff or the imposition of higher excise taxes, whenever and wherever necessary, to prevent the immoral use or abuse of the existing tariff, or any unfair advantage being taken of the tariff, as for example by those who would resort to profiteering by exacting unduly high prices for their products from domestic consumers, under the protecting elements of the existing tariff.

I think it was the present leader of the opposition (Mr. Bennett) who said in Toronto two years ago that the Conservative policy was not a policy of high or low tariff, but a tariff to develop Canada. I submit that a tariff which is used only to protect the market for the home manufacturer, if you have an organization which will prevent ad-