

Mr. MacNICOL: I have heard so often in this house, not from every quarter but mostly from eastern or western free traders, that certain industries should never have been built up in this country. I should like one, and if possible half a dozen of them to be named. Then we shall be able to tabulate how many men would be thrown out of work if these industries were further crucified.

Mr. BENNETT: I still think the minister should not leave that subsection as it now stands. I do not think the government should leave it in that form. The minister has made a perfectly clear statement. He proposes to pass an order in council in the terms of the Japanese agreement, and he has very properly pointed out that under our agreement with Japan we are now bound to declare, qua Japan, that any goods which are manufactured or produced in Canada and which do not fill ten per cent of our consumptive requirements are not subject to dumping duty. That is the story, because they are not of a class or kind made in Canada.

In other words we have defined those phrases, "a class or kind not made in Canada," and "a class or kind made in Canada." For the first time we have defined those phrases in exact terms. Heretofore we have never defined them, or attempted to do so. The words "substantial quantities" were used at one time, and owing to differences of opinion as to what "substantial" meant, those words were removed and the words "made in the country" replaced them. Then, when the tariff board, in the particular case to which the hon. member for Comox-Alberni had reference, determined that anthracite coal as produced in the old mine at Bankhead, Alberta, did not constitute commercial production and was so trifling that no attention should be paid to it, that definition was changed again. Now, we having made an agreement with Japan which, as the minister very properly says, will be carried out; we having committed ourselves to that, it follows that the phrase as defined in that note is now so defined with respect to all the countries of the world with which we trade and to which the phrase may apply. In other words, by reason of our having included it in the agreement with Japan every country that enjoys favoured nation treatment from us has a right to set up that provision. That means practically all the trading nations of the world, though I dare say it does not apply to Germany.

Mr. DUNNING: Would that be the practical effect? I would ask my right hon. friend to consider if the practical effect of such an order would be against any particular country.

Mr. BENNETT: I am coming to whether or not it is not necessary that it should be. That is the point I am making. In the exchange of notes with Japan we said that we would pass an order in council. What were the words?

Mr. DUNNING: Not with respect to Japanese goods.

Mr. BENNETT: In our note to Japan we made a declaration that we would pass an order in council.

Mr. DUNNING: If my right hon. friend will permit me I will read the note:

The classification "goods of a class or kind made or produced in Canada," as it appears in the customs tariff, will be restricted to goods which are of a class or kind made or produced in Canada in quantities sufficient to supply at least ten per cent of the normal Canadian consumption. Adequate notice will be given of the transfer for customs purposes—

And so on. It is general; it does not apply to Japan only.

Mr. BENNETT: The note was addressed to Japan and, of course, in its direction to Japan, covered only Japanese imports, because that paragraph was part of the note sent to that country. Are we not bound to include that in the statute itself? Shall we have discharged our duty under that undertaking if we do less? We have said that we will do that. There is only one way in which we can do it beyond the power of repeal, except by termination of the agreement, and that is by parliamentary act. When I read the letter which the Prime Minister dispatched to the Japanese minister I certainly had no doubt that it meant parliamentary action, statutory action. I do not think anyone had any doubt as to that. Now we are told, not that but this:

For the purposes of this act articles shall not be deemed to be of a class or kind made or produced in Canada unless so made or produced in substantial quantities—

Once more that is the test, not the ten per cent but the substantial quantity, which is exactly what we did not say in the letter to the Japanese minister. Then this follows:—and the governor in council may by order in council provide that such quantities, to be substantial, shall be sufficient to supply a certain percentage of the normal Canadian consumption and may in such order fix such percentage.

That is not carrying out that agreement.