

of a resolution passed by a unanimous vote of the National Liberal Federation at its annual meeting in April. The resolution ran, as follows:

"In view of the Ottawa conference and the danger that this country may find itself committed by commercial treaties with the dominions to permanent tariffs of a discriminatory character on imports from foreign countries, it (the National Liberal Federation) gives notice in advance that no such treaty can be permitted to interfere with the constitutional right of parliament at any time to reduce or remove any such taxes."

This constitutional right is a privilege won from the crown by centuries of hard struggle; and it should be equally precious to the parliaments of the self-governing dominions, on whom it was freely conferred by the wisdom of our own legislature. I can conceive of nothing more invidious than this interference by the dominion governments with our right of control over our own budget. Curiously enough, it is a right which two important British ministers emphasised so lately as February 9, 1932, during the tariff debate. Mr. Baldwin said:

"Much of the debate has run on the difference between the permanent and the temporary nature of the tariff. There is no such thing as permanence in politics. Whatever one parliament does, it is in the power of another parliament to confirm, to increase, to diminish, or to abolish."

Here we have the true constitutional doctrine, unambiguously expressed by the leader of the Conservative party. Mr. Walter Runciman (President of the Board of Trade) said in the same debate:

"The other objection taken to our proposals is that they are permanent. Certainly nothing in our fiscal system is permanent. The yearly budget comes up for discussion here and for examination in committee of ways and means, and is varied from time to time according to the constitution of the house and the opinion of the electors."

That, Mr. Chairman, expresses the position of the Liberal party of Canada quite as emphatically as it does the position of the Liberal party in the old world with respect to this innovation of maintaining tariffs by binding agreement. We regard it as being unsound constitutionally, as being in no sense a legal method of procedure, and as being fraught with no end of possible serious consequences. The object of this innovation has been made abundantly clear by the Prime Minister, and it is to the intent of the legislation quite as much as to the legislation itself that we are opposed so strongly. The Prime Minister has told us that the purpose of the legislation was to make the foreigner pay some tribute for the privilege of trading within the British Empire. Speaking in Calgary on September 6, of the effects of the agreements reached at the recent conference, he said:

One thing was certain, however, that nations outside of the empire would be asked to pay
[Mr. Mackenzie King.]

some tribute for the privilege of trading within the empire.

So far as Canada is concerned, that tribute is to be paid by the higher taxes which it is now sought to impose under this agreement. It was equally emphatically stated by the Prime Minister that the object was to shut out the foreigner. That again is the purpose of this higher tariff which we are now being asked to enact. We want to have trade within the British Empire, as has been said repeatedly, but we do not want it at the expense of the possibility of trade as well with other countries of the world. In so far as Canada is concerned we believe that she should be free to trade with all countries just as largely as her interests may seem to render it wise for her so to do and as she may find it possible to do.

There is another feature about this particular tariff schedule which is thoroughly bad and that is that it has been so arranged as, in many cases, to do away with the difference between the rates of duty of the intermediate tariff and of the general tariff. That undoubtedly has been deliberately designed so as to make next to impossible the arriving at trade agreements with other countries by destroying the margin of trading benefits which would offer favourable opportunities to the formation of such agreements. I do not believe that it is possible to emphasize too strongly how inimical to the future development of Canada's trade this particular legislation is likely to be, and particularly so at this time in the world's history when everything is more or less in a state of flux and where there is very little in the way of certainty, from one year to another as to what one country may be able to continue to do or as to what changes in trade conditions may come about in the relations between any one part of the empire and other countries or between different parts of the empire themselves. As regards the agreement itself, I think when we begin to discuss it item by item, we shall see that it is not so much an agreement or tariff schedule for the purpose of promoting trade within the British Empire as it is a schedule of tariff rates to make increasingly difficult and in many instances impossible, trade with the rest of the world. It is because of these features that, in the first instance, we object to the schedule considered in its entirety. As we discuss the different items I think it will be seen why, with regard to the interests of the Canadian consumer, with regard to the interests of the Canadian producer as affected