

living which our citizens enjoy. On the other hand, it is our declared policy to provide for the consumer a cheap market, by stimulating the growth of competing domestic industries to that point of development where they will be able, in fair competition with others beyond our dominion, to offer to the Canadian public products of like quality and at prices comparable to those prevailing in the larger markets of other countries.

And again, he said:

I offer to the mother country, and to all the other parts of empire, a preference in the Canadian market in exchange for a like preference in theirs, based upon the addition of a ten per centum increase in prevailing general tariffs, or upon tariffs yet to be created. In the universal acceptance of this offer, and in like proposals and acceptances by all the other parts of empire, we attain to the ideal of empire preference.

I do not think it is necessary to say anything more about it, since the matter was commented upon by my leader, the Prime Minister (Mr. Mackenzie King), who said at the time that it was absurd to ask the British countries to raise a wall of high tariffs against all other countries. Naturally such an absurd offer was declined by Great Britain and the other British possessions.

During the session of 1931, the government, then under the leadership of the present leader of the opposition, increased the tariff on 128 items by legislation and on two by order in council, and decreased the rates in respect of 55 items. These changes were not very successful; it was found that Canada could not live alone, so then it was decided to call an imperial economic conference to be held in Ottawa. Opening this conference as chairman, the right hon. gentleman, among many other banalities, said:

We have a common purpose. We have a supreme desire to achieve it. And there can be no group of countries in the wide world so capable of united action as are the countries which comprise the empire.

Therefore we are equipped and ready for the task. It would be folly to pretend it is not a great one. It would not be British to turn aside because it is. Great though it may be, grave as are the difficulties, we cannot hesitate.

That was said in a very firm tone. He continued:

We are bound in loyalty and self interest to go forward, knowing as we must that our success means the beginning of a new and greater prosperity for ourselves, the empire, and the world.

That was a great speech. The idea was to bring all British countries together and have new agreements passed. Some agreements were passed after the conference of 1932. In that year 150 items in the tariff were increased; one item was increased by order in council, and 144 items were decreased by parliament. These

increases were mostly in accordance with the agreements signed by the different countries of the British empire. It will be remembered that Mr. Baldwin postponed his departure in order to sign something. This has been said already in the house and it must not be forgotten that on the day he was to leave nothing was ready. The papers said that the then Prime Minister shed tears because no papers had been signed. Mr. Baldwin waited one day more and finally signed some papers which had been carefully prepared by the members of the staff which had accompanied him. Those papers included the agreement which has been incorporated in our statute books.

This was a matter of give and take; we could not ship Canadian goods to Great Britain without taking British goods in return. I should like to direct the attention of the committee to page 2704 of Hansard of May 1, 1934. Hon. members will find there a letter from a Mr. English, Canadian trade commissioner, dated March 6, 1934, stating that the high commissioner did not think much of British exports to Canada. That was one of the mistakes made by the previous government. As the former Minister of Finance, Mr. Rhodes said last year, the first mistake was not to take advice or to obtain the necessary information before increasing the tariff. I should like to quote from page 3319 of Hansard of June 5, 1935:

Mr. Pouliot: I was told this afternoon that the government secured information from the tariff board in regard to the increases and decreases in duty that have taken place since 1930, but as the announcement of the appointment of the personnel of the board was not made in this house until February, 1933, may I ask the Minister of Finance who advised the government in regard to the increases and decreases in the tariff that took place from August 1, 1930, until the tariff board was appointed in February, 1933?

Mr. Rhodes: The government must take full responsibility for any changes it initiates, and I have no hesitation in saying that the government is quite prepared to undertake that responsibility.

The government took the responsibility, but it could give no compensation for the damages suffered. The letter from Mr. English shows that the trade was to be one-sided, according to the government of the day; that we were to ship Canadian goods to England but we were not to accept British goods in return. The letter speaks for itself. Letters were written by the then Prime Minister, copies of which are on file in returns, to the effect that all the members of the Department of Trade and Commerce located