

to us, we cannot bargain with you for it, we cannot pay you for it, unless you go much further and enable us to enter your home market on terms of greater equality. . . . So long as a preferential tariff, even a munificent preference, is still sufficiently protective to exclude us altogether, or nearly so, from your markets, it is no satisfaction to us that you have imposed even greater disability upon the same goods if they come from foreign markets.

That was exactly the nature of the proposal as made by my right hon. friend. British goods had already been excluded from the Canadian market. There was as a consequence very little satisfaction to Great Britain in the offer made by my right hon. friend when its only effect was to impose even greater disability upon the same goods if they came from foreign markets.

I think I have made clear wherein the proposals were humbug in so far as Great Britain was concerned. Let us now look at the situation from the Canadian point of view. I ask hon. members could anything, so far as Canada is concerned, more closely approach humbug than the proposal which my right hon. friend made on our behalf. What was that proposal? First of all it provided that no goods were to be permitted entry into Canada from Great Britain if they were already being produced and manufactured in this country or could be produced or manufactured here. It further provided that if tariffs did not already exist to keep goods out, such tariffs were to be set up. Would that procedure be of advantage to this country? I do not hear the hon. members opposite say, yes; I do not hear one of them. Well, that was the proposal of the right hon. gentleman, and in my opinion it was humbug in the purest sense of the word.

What was the proposal when viewed from another standpoint? Great Britain is already our best customer. We have experienced difficulty in reaching the overseas markets in other parts of the world. The proposals of my right hon. friend would make it still more difficult to get many of our surplus products into the British market, because Britain was to change her fiscal policy; she was to put on a tariff, and our preference was to come as a result of that tariff. Where would that have led with respect to the importation of wheat? Could anybody expect that once a tariff wall went up in Great Britain with respect to manufactured goods to help certain interests, the agricultural interests of Great Britain would remain silent? Does anybody suppose that with tariff walls on all sides the British agriculturist would not ask for a tariff wall to protect his agricultural produce? When in such circumstances will there be a government in Great Britain which could resist such demands

[Mr. Mackenzie King.]

on the part of agriculturists? And if the tariff wall were raised to protect the British farmers, where would we be in the British markets with respect to the sale of our wheat? The last condition would be infinitely worse than the first, and so I say that from the point of view of Canada as well as of Great Britain the proposals of my right hon. friend amount to the greatest humbug conceivable.

If anything more is needed to show the humbug of this proposition may I state that not merely the Labour government in England to-day, but no government in England could negotiate an agreement with the government of Canada on the basis proposed by my right hon. friend. This is a most important fact, because the conference is scheduled to meet here again next fall and unless my right hon. friend changes his proposals in the interval nothing can then be done, even if there were a change of government in Great Britain during the interval as he might desire.

Let me review the situation. So far as the Labour government is concerned, we know there can be no negotiations with the Labour government on the basis set out by my right hon. friend. That government may or may not be in office next fall, but at any rate if it is in office no negotiations could be made with it as the offer at present stands. So far as attempting any agreement it would be better to call off the conference right now—that is the point I wish to emphasize because it has been already made clear in Great Britain that the British government will not change its fiscal policy. The proposal of my right hon. friend involves a change of the fiscal policy of Great Britain.

An hon. MEMBER: How do you know?

Mr. MACKENZIE KING: How does anybody know anything? By using ordinary intelligence. The Prime Minister knew before he went to England that the present government in England would not change its fiscal policy. The Liberal party in England has for generations been committed to the policy of free trade. Will it change? Will it negotiate on a basis which would alter the fiscal policy of Great Britain? Nothing could be done by negotiating with the Liberal party, and yet that party combined with the Labour party represent by far the majority of the British people. Come to the Conservative party. So far as the Lord Beaverbrook wing is concerned, that is the Empire Crusaders, my right hon. friend made the statement in plain English, "We will have nothing to do with