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Budget in the House of Commons on March 1, 1929, the late Mr. Robb said: "This Dominion continues to be one of the world leaders in the volume of its external trade; therefore, problems arising in connection with our foreign trade can never be ignored. As the years go by an increasing quantity of our domestic production must necessarily be marketed abroad. It is our desire to trade freely with any and all who are willing to trade with us. What may, or may not, be possible in this particular necessarily depends in some measure on the purchasing power and the fiscal policies of other countries. The policy of this Administration is not a high tariff policy; it is a low tariff policy. Its policy is to encourage production at home and the marketing of our excess of production abroad. In applying this policy both domestic and international factors must of necessity be considered.

"In accordance with the fiscal policy of the Government, the tariff changes to be submitted today are designed to reduce taxation and to lessen the costs of production. The changes to be submitted arise out of references which the Advisory Board on Tariff and Taxation has investigated, and are based on its fact-findings. The board is continuing its inquiries, on which substantial progress has already been made, into several larger problems which involve the consideration of whole tariff schedules and the inter-relation of many important Canadian industries. While these inquiries are being pursued, opportunity will be afforded for considering the possible effect on trade of changes being proposed in the tariff schedules of other countries, should they be implemented by legislation."

#### Quotes Speech in Winnipeg.

"May I now quote an extract or two from a speech of my own to which much publicity was given at the time and to which frequent reference has since been made. It is the speech which I delivered at Winnipeg on Nov. 1 of last year. That speech was devoted almost wholly to the question of the tariff and to the then existing situation. I pointed out wherein the Government had been urged by its opponents to adopt a 'red-blooded' attitude toward the United States, to keep Parliament in session up to the moment of the final revision of their tariff by the United States. I said that any change of the American tariff, prior to the reassembling of our Parliament was wholly improbable, and that, having before us more in the way of exact information and knowledge, we would at the forthcoming session be in a much better position to deal with the tariff as circumstances might require, that we could possibly be at any other time; I stated that what was needed meanwhile was not so much a 'red-blooded' as a 'cool-headed' attitude.

"Speaking of the position taken by our opponents in Parliament, I said: 'We are told that we should retaliate; but what we are to retaliate against they cannot so much as tell us, for up to the present, no changes in the American tariff have been made.' I added, with regard to our own position, 'I am not denying that changes by Congress in the United States' tariff which may adversely affect our trade may call for action on the part of the Canadian Parliament, to secure elsewhere markets for our exports which it is in the public interest to maintain.'"

#### Liberal Plans.

"I then outlined the method of the Liberal Administration in dealing with tariff matters, and spoke particularly of the Advisory Board on Tariff and Taxation. I then proceeded to outline the course the Government had been pursuing, and to answer the objections of those who thought that more in the way of formal protest to the United States Government should have been made by our Government. In this connection I said:

"Let it, however, never be assumed that, because we have not been threatening, because we have not been expounding vociferously with a regard to a situation that has not yet arisen, that in any particular we have been indifferent to possibilities; that we have not been making all proper and necessary representations, or that we have not been reflecting upon, studying, and determining the course of action that it may be best to adopt in the event of any changes which may adversely affect our trade being made now or later on the tariff of the United States or of any other country. This it was obviously our duty to do, and this we have been doing through the agency of more departments of Government than one."

"This, let me remind you, was said publicly last year. It had reference to the course the Government had been pursuing prior to that date. It was, I think, fairly pointed out as to what the Government's course would be as a consequence of changes in the tariff of the United States, but I was more direct and specific than even this—not only as regards trade with the United States, but also as regards the development of intra-Imperial trade. Let me read what I said, and then ask whether there is reason to regard the present Budget as in any sense the outcome of 'premature,' 'unreasoned' action, or 'hysterically inspired' by party exigencies.

#### Possible Tariff Revisions.

"Here are my words. They will be found in the very full reports of the speech which were made by most of the leading papers throughout the Dominion. Speaking specifically of the possible changes in the American tariff, I said:

"The mere fact that a revision of the United States' tariff is possible, a fact which has received emphasis from the present discussions, has rendered it imperative that we should consider all probably and possible effects of a revision, and that we should explore in each and every direction the courses which it may be wisest to take in meeting whatever situation may ultimately develop. I wish to make it very clear that this is precisely what the Government has been doing, and doing through agencies especially designed and adapted for the purpose."

"I spoke a moment ago of the Advisory Board on Tariff and Taxation. This board has been in existence now for three years. During the whole of that period it has been making a most searching and careful study of the tariff. It has been considering its schedules as a whole, and, one by one, in relation to special applications made for changes in the tariff, which have been referred to it for consideration, and in relation to modifications of the tariff generally, in accordance with the Liberal policy of watching the interest of consumers as well as of producers and manufacturers. The board's personnel is composed of able representative men from different parts of Canada. It has associated with it permanently, and is free to call in from time to time, persons in a position to give expert opinion.

"When the revision of the United States' tariff was first mooted, the Chairman of the board, Mr. W. H. Moore, was called into conference by the Minister of Finance, on behalf of the Government, and was told that it was the wish of the Government to have, in case it should be required, as much information as might be possible

with respect to changes in our own tariff which it might be deemed advisable to make in the interests of our own people, as a consequence of, or as an offset to, changes which might come in the United States' tariff. Much of this information we already have, and the board's work is proceeding from day to day."

#### No Overnight Revision.

"I then referred to the absurdity of any thought of changing a tariff overnight, as implied in the attitude of our opponents, and said: 'The old method of threatened retaliation may have had its day, but the new method looks not to threats for what is best, but to close and accurate scientific study. It bases its conclusions on acquired information and knowledge.'

"Then speaking of the development of intra-Imperial trade, I said: 'Finally there is the movement of effecting more in the way of intra-Imperial trade, which from voluntary as well as Government agencies, has gathered momentum almost daily since the revision of the United States tariff began to be discussed. Here we already see the extent to which even the possibility of

W. L. Mackenzie King Papers

Speeches-1922 - 1932

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