

that they were not prepared to give us the same concession, but would only give a concession that was limited by quotas with respect to many items which are of vital concern to Canada—the cattle quota, the cream quota, fish and potatoes, shingles, lumber and other commodities. We were not prepared to agree to those terms. And there the matter ended. The government went out of office, and the present administration coming in executed an agreement, in which there is one item which had not been finally settled at the time the old government went out of office.

Now let us examine for a moment just where we are with respect to this trade agreement. In the first place, the tariff that now prevails in the United States is a Republican tariff, a tariff imposed in the days of President Hoover. It is the highest tariff in the history of the United States. When the president suggested that he proposed to deal with trade agreements, the personnel and temper of congress was such that it became apparent at once that the senate would not give the requisite two-thirds vote to approve any such treaty. So legislation was enacted that conferred upon the president the power to make, not treaties, but trade agreements. These trade agreements were to be subject to certain definite limitations, limitations of such a character that I think it desirable that we should understand what they are.

First, no item upon the free list could be changed into a dutiable item and no item upon the dutiable list could be changed into a free item. In other words, no free items could be granted by the President of the United States in trade agreements that were not free at the time the agreement was made. Second, the maximum reduction in tariff that the president was authorized to make was fifty per cent of the existing tariff rates. And those tariff rates were, as I have pointed out, the rates of the Republican party. The tariff with that fifty per cent reduction, which is the maximum reduction possible, in many cases is far higher than the rates under the Underwood tariff. It will be recalled that the last Democratic tariff in the United States was the Underwood tariff, and under it we had free entry into the markets of the United States for a large number of our commodities.

But the United States did not stop there. In their law conferring this power upon the president they declared further that before any bargain was made of any kind it was essential that there should be afforded an opportunity to all those who might be concerned to express their views as to the effect that such action would have upon their national life. Now the effect of that is to

afford to citizens of the United States opportunity to appear before the tariff board to deal with every proposal. Not only will the business men of the United States have opportunity to file briefs during a period of thirty days, but during the first two weeks after that they will have opportunity to make oral argument as well before that tribunal. No such power resides in this country. In other words they have that advantage over us.

The items that have been noted in the press with respect to this trade agreement are items that are covered for the most part by the existing agreement. First of all dutiable items cannot be made free, and sir, we have given all we have to give unless we are prepared to make specific reductions of tariffs which will extend to twenty other nations, including Japan, under the favoured nation clauses. That is the position. There is nothing more we can give the United States. Without restriction and without limitation we have given them everything we have to give except one thing, that is, reductions in specific items under our tariffs. For that we have obtained only the opportunity, not to get free entry of any item now subject to customs tax but to get reductions up to fifty per cent of United States tariffs as they stood before any such agreements were made.

But, Mr. Speaker, we want more. We want other things; as the discussions already indicate, we want many things. How are we to get them? There is nothing more we can give the United States except specific reductions of tariff items, but we are told that what we are to do is to sell our British preference for these benefits. That is the story. Without going into it in detail, the sole, simple question is: What price? And the price means the concessions we are prepared to make from the British preference in order that we may get something for which we have given already everything we have to give on our own account.

In addition, of course, our ports are affected. That matter was discussed last year and I am not going into that question to-day, but I do point out that we are asked now to say what we are prepared to pay by abandoning the preferred position we have in the British and empire markets, in order to get concessions from the United States, having given them everything they demanded in the first instance, and having been willing to take half a loaf instead of standing firm. We accepted quotas from people to whom we gave unlimited entry in return on everything.

I need not discuss these matters at length, because it will be time enough to do so when