

It is believed on good authority here that Mr. Hull and his aides refused to consider any exchange of concessions on the basis of a preferential tariff for empire produce, which was considered, in principle, a form of discrimination against American commerce.

On January 25 the Minister of Trade and Commerce assured this house that the "new agreement reaffirms the principle of the British preference, and the United States is admitting that principle." In support of that statement the minister read from the seventeenth article of the new agreement as follows:

Nothing in this agreement—

I call the minister's attention to that.

—shall entitle the United States of America to claim the benefit of any treatment, preference or privilege which may now or hereafter be accorded by Canada to territories under the sovereignty of His Majesty the King.

That stipulation is obviously restricted to the provision that the terms of the treaty shall not entitle the United States to such preferences as may subsist after the treaty goes into effect, and it in no sense affirms the right of Canada to grant such preferences, and leaves the United States still free to condemn such preferences on diplomatic grounds other than the terms expressed in the agreement itself.

Mr. EULER: Is my hon. friend there expressing his own opinion or reading from somebody else's opinion?

Mr. CAHAN: No; I gave the citation and read the language, and I am now giving my own opinion with regard to it. It is so clear from a study of the English language incorporated therein that there is, I submit, no other meaning to it.

The Prime Minister's policy of appeasement is already proving insufficient to satiate the cupidity of politicians at Washington, who are now emulating Hitler and Mussolini in their claims for territorial expansion. I have seen an Associated Press dispatch from Washington, dated December 23, more than one month after this new trade treaty was signed, in which Robert B. Reynolds, democratic senator from North Carolina during the past six years, emphatically affirms that—

If Britain wants to prove her friendship for America, she could arrange for the transfer to the United States of a fifty-mile corridor from the United States to Alaska for construction of a super-highway.

A claim even more insolent than Hitler's claim to the Memel corridor or Mussolini's claim to Tunisia! The senator adds:

When American people think of Britain, they think of what Britain owes us and wonder why the debt isn't paid. Let them give us this fifty-mile corridor as part payment.

And then on reflection he adds, as an additional partial payment:

Let them deliver to us Bermuda.

Mr. EULER: It was not done, though.

Mr. CAHAN: Oh well, the agitation is still under way. Tunisia is not controlled by Mussolini, nor the Memel corridor by Hitler, but their claims are being urged, with the same persistency being shown as the United States has shown in dealing with this country.

Another Associated Press dispatch from Washington, dated December 8 last, announced that:

The new United States defence program, broadened to embrace the entire western hemisphere, may become a factor in deciding the long-standing controversy over development of the great lakes-St. Lawrence basin.

A war department spokesman said to-day that the huge seaway plan was being studied by the army high command in connection with other national defence matters.

What part the proposed project would have in any defence scheme was not disclosed. President Roosevelt said some time ago that demands for electrical energy by industry located in the St. Lawrence area probably would increase tremendously in time of war. . . .

President Roosevelt indicated a few weeks ago, however, that he intended to press the issue. He announced that he had discussed the new seaway treaty with Premier Mackenzie King when the Canadian Prime Minister was a recent guest at the White House. Mr. Roosevelt said that Mr. King agreed that speedy conclusion of a waterway pact was desirable.

Other political commentators in the United States have also declared that the voluntary assumption by the Washington government of the defence of Canada against foreign aggression would involve control of the navigation of the St. Lawrence river and lake system by the naval and military forces of the United States. Evidently an adequate appeasement of the Washington government will involve radical encroachments upon the autonomy and sovereignty of Canada.

There is no doubt that if the Anglo-American treaty shall serve to increase United States exports to Great Britain, it will also serve in like manner, and probably to the same extent, to restrict Canada's exports to Great Britain. On the other hand, if we may measure the possible advantages to Canada under the new trade treaty by the very meagre increase in our export trade to the United States under the former trade agreement which expired on January 1, then it is a safe conclusion that this new trade treaty will not serve to reduce, to any considerable extent, the widespread unemployment from which Canada now suffers.

Canada's economic condition can be improved only by increasing production in Canada, and thereby increasing the national income which