

as Switzerland, Holland, Italy, and, I believe, Belgium. Switzerland and Holland particularly brought to our attention the fact that because of the higher valuation of their currencies it was difficult for them to do export business.

Mr. BENNETT: Had they gone off the gold standard then?

Mr. EULER: They were still on the gold standard, but that difficulty was pointed out. In fact in Switzerland the Swiss representative informed me they had actually lost in one year \$60,000,000 worth of sales to Great Britain because of the high value of their franc.

As we have provision in the customs tariff for adjusting the currencies of countries which are depreciated, perhaps it is not illogical to give the same power in regard to currencies which are relatively appreciated. At any rate we agree to present to Parliament legislation giving the Government power to do that. We further agree that, this having been done, if and when Germany, as doubtless she will, makes representations requesting that we fix a lower rate than the 40 cent rate which now obtains on the mark, we will give it prompt consideration.

Mr. BENNETT: That is the international mark, the gold mark?

Mr. EULER: Yes, the gold mark.

Mr. BENNETT: With par value of 25 cents.

Mr. EULER: Twenty-four cents, which in our currency now is supposed to be worth 40 cents. I would however point out that while we agreed to take the power, the Government still retains the right to use its judgment according to the terms of the undertaking. I assure the committee that the Government of Canada retains complete control over the matter and that no action will be taken unless Germany can prove to our satisfaction that she has a just case. Then finally, if any producers in Canada, manufacturers or others, have any fears with regard to the matter, I might point out two things. We on this side stated during the last election campaign—I know I stated it, the Leader of the Government stated it—that it would not be the intention of this Government to injure any legitimate Canadian industry. Further, if we find that the agreement is not working out to our satisfaction, and if we cannot get an adjustment with Germany in regard to it, we have the power within a minimum period of ten weeks to cancel the agreement in its entirety.

In conclusion I say quite frankly that the agreement we propose is more or less experimental. It is designed to facilitate the extension of Canadian trade in wheat and the commodities which we have to sell, in a market which in past years was extremely valuable to us. I believe that this agreement does offer a reasonable means for expansion of Canadian exports, and further is in accord with the belief of this Government—and I think it is shared by most other countries of the civilized world, although they are not carrying it into practice—that a freer exchange of commodities between the nations of the world would be a greater guarantee of peace than all the great armaments with which the nations are equipping themselves.

I do not think I need add anything to the honourable Minister's explanation.

Hon. Mr. BALLANTYNE: We are, I take it, to be ruled by Order in Council, instead of by Parliament.

Hon. Mr. DANDURAND: If Parliament says so.

Right Hon. Mr. GRAHAM: It is hard to break away from established custom.

Right Hon. Mr. MEIGHEN: This is establishing the custom.

Hon. Mr. DANDURAND: I saw somewhere a statement by either the Minister of National Revenue or the Minister of Trade and Commerce that already in the short space of time since the provisional agreement was arrived at with Germany there has been a considerable increase in our exports to that country.

Hon. Mr. COPP: From last October.

Hon. Mr. DANDURAND: That would be four or five months. All countries are striving to increase their markets. This is experimental legislation. We have statutory authority to fix the value for duty purposes of goods from countries with a depreciated currency. Now, we shall try to fix the rate with respect to appreciated currency.

Hon. Mr. LYNCH-STAUNTON: Why cannot the Customs officials assess the rate of duty on imported goods according to their market value in this country, and disregard the ups and downs of foreign currency?

Hon. Mr. DANDURAND: We have adopted the principle of fixing the duty on the market value of the goods in the country of origin.

Right Hon. ARTHUR MEIGHEN: Honourable members, this Bill in effect provides that the fixing of value of goods imported from countries whose currencies are appreciated shall be transferred from Parliament to the Governor in Council. It is an extension of the field of Governor-in-Council government. While I cannot forget the long series of lessons I learned on the depravity of this practice and the perils hidden in it and endangering both the Constitution and the good faith of Canada and the Empire, it is comforting now to know from the mouth of the Minister of Trade and Commerce, who has been in Australia, New Zealand, Germany, and all other countries on this planet, that in the present instance the practice will not only contribute to the expansion of the volume of world trade, but will actually have to do with the peace of the world. It is really important to know that Order-in-Council government can produce this effect. If we can