

Mr. MACKENZIE KING: He is quite right, and I would like to give him a little of the fruit of that learning. I have in my hand a copy of Principles of Economics by Professor Taussig, third version. At page 537 my hon. friend will find out what Professor Taussig has to say about the method of reprisals and what it means. Professor Taussig says:

In its direct economic effects, the levy of duties on imports in retaliation for duties elsewhere on a country's exports makes the situation not better, but worse.

Does my hon. friend who has quoted Professor Taussig to this house as an authority on economics, and particularly with respect to the tariff, endorse his teachings in that particular?

Mr. MACDOUGALL: What is the date of that publication?

Mr. MACKENZIE KING: It is 1926. My colleague the Minister of Justice (Mr. Lapointe) reminds me that in referring to Professor Taussig my hon. friend the leader of the opposition quoted him as the greatest authority in America.

Mr. BENNETT: One of the greatest, and I still say so. I had in mind the right hon. gentleman himself as the other.

Mr. MACKENZIE KING: May I read, then, further what one of the greatest authorities says and ask my hon. friend if he agrees with it? This is what Professor Taussig says with respect to the protectionist doctrine, at page 543:

Making all possible allowances for the various ways in which the initial burden has been offset in the United States, there probably remains a heavy debit balance against protection, through the creation of industries dependent upon it.

Is that, may I ask, the doctrine which my hon. friend is going to put before the people?

Now let me read from the article from which my hon. friend has quoted, it appears in Foreign Affairs, for October, 1929. I will read first the paragraph which has reference to the small boy and the big bully, on page 3, and I hope my hon. friend will then tell the house whether he endorses Professor Taussig's views in their entirety:

There is no case in which complete freedom of trade for the staple agricultural products and the fundamental raw materials is so fully justified as in our trade with Canada.

Reciprocity in natural products—is my hon. friend going to advocate that when he goes before the people of this country? This is the paragraph that contains the sentence with reference to the small boy and the big bully:

Its substantive importance, however, lies not so much in its effects on agricultural production or profit at large, as in its equalizing and stabilizing effect on seasonal fluctuations and on local trade (across the border) both ways. Our much debated duties on wheat, for example, stand in the main for a restriction upon the equalization of seasonal fluctuations. When crops of hard wheat are bad here, Canada makes up our deficiency; when crops are bad in Canada, we make up the deficiency for the United States and help to make it up for the world at large. It would be going too far afield to enter on any detailed discussion of our trade with Canada; it is great in volume, mutually beneficial if ever any trade is, and politically of pregnant importance. For many years we have treated Canada much as a big bully treats the smaller boy. Those Canadians who have championed friendship with us have had no easy task in enlisting their countrymen, and our intolerant tariff policy makes it harder and harder for them to preserve the good relations.

In other words, Professor Taussig's whole plea in the connection in which there appears his reference to the small boy and the big bully is that this business of treating a neighbour as if he were anything but a neighbour, this putting up of tariff walls for the sake of reprisals, is very far from being the kind of thing which is essential to true neighbourliness, to a better understanding between nations and to the promotion of that goodwill which should prevail throughout the world. My hon. friend the leader of the opposition uses for the purpose of stirring up ill-will the passage that Professor Taussig introduces for the purpose of trying to promote goodwill. He seeks to create in this country a prejudice against the United States.

Mr. KAISER: Not at all. I protest against that.

An hon. MEMBER: Order.

Mr. KAISER: We have listened to that for a great many years.

Mr. MACKENZIE KING: I am sorry that my hon. friend finds the truth so hard to stomach.

Let me now take the first paragraph in this article from which my hon. friend the leader of the opposition has quoted. I do not know whether I should call this new Tory doctrine:

Tariff legislation is a perennial source of international distrust and irritation. Almost all countries proceed as if international trade meant not mutual gain but rivalry in grasping an advantage. Rarely, almost never, does it occur to the tariff expert or commercial negotiator that by imposing high taxes you may burden your own people. Such a person would readily grant, as everyone will, that imports are paid for in the end by exports, and that exchange between nations, like that between different regions within a country, is advan-