

Mr. BENNETT: I am glad to hear that conscience has had the effect of inducing the Minister of National Revenue to recollect an echo of the past. But this should be in statute. Let there be no question about that. A note has been exchanged with the empire of Japan, and so far as we are concerned that note settles for all countries doing business with Canada what shall constitute goods made in Canada. In dealing with this country Japan cannot be placed in a more favoured position than other parts of the world. All countries must thereafter be upon a parity, and as it has been declared in the note, unless an industry in this country produces ten per cent of the consumptive requirements of Canada it is not an industry concerning which we may say that the goods produced by it are of a class or kind made in Canada. Why should this not be in the statute?

Mr. ILSLEY: Because it might be varied by agreement from time to time.

Mr. BENNETT: Yes, but it is quite clear that so far as Japan is concerned it will not be varied within the next year, because the arrangements cover a period of time.

Mr. ILSLEY: Yes.

Mr. BENNETT: Therefore this statute should cover until the next time parliament meets, so that there may be no misapprehension and so that every man who does business with the customs house and every man who starts up an industry knows where he is. And every person who does not produce ten per cent of the consumptive requirements of the country will know that until such time as parliament acts he is not within the terms and conditions of the law as we have declared it.

I said, and I repeat, that it was a great mistake to endeavour to fix that percentage in the Japanese note. However it has been done, and it having been done, this is an effort to cover it up, an effort which should not be winked at by this committee. I say that this is an effort to cover it up, to cover up something which should see the light of day. It should be clear as crystal; it should be in the statute, and not somewhere else. Since we have taken these steps, steps which, I believe, were improperly taken, the government must accept the responsibility for their action. They have the majority and must bear the consequences. They know; I do not know. But certainly they should not endeavour to cover up by this section what is now a matter of record between Japan and Canada. This is a declared policy. It was rushed out so that it would be finished before Christmas,

[Mr. I. Mackenzie.]

or thereabouts; I think it was the day after Christmas. The action called for was taken, and the cries to high heaven of my hon. friend from Vancouver Centre were rewarded in due course. Now he sits in the seats of the mighty. I do not know whether he saw the records of it, but far pastures looked very green, when he was far away. However, when you get close, you are not so sure. The hon. member for Comox-Alberni says that they are still green.

The point I wish to make, and one which I think the government cannot evade, is that in view of their own protestation we must put into this statute, or into this section, the conditions of the Japanese note. It is clear that under the terms of that note those conditions will continue at least until after this parliament will have met again, and at that time if new arrangements are made they can be met. There is nothing more hurtful than insecurity and instability. Now that we have taken this step there is no doubt that we should not endeavour to cover it up, or to frame it in general terms. Rather, we should make clear beyond doubt just what is meant. Subsection 10 should read:

For the purposes of this act articles shall not be deemed to be of a class or kind made or produced in Canada unless so made or produced to the extent of ten per cent of the consumptive requirements of Canada; and the governor in council may by order in council—

And that is all that need be done. This is going to give to the governor in council power to modify declarations made with Japan, and to treat with discrimination other countries and special industries—

Mr. DUNNING: No.

Mr. BENNETT: Read what it says. It states:

The governor in council may by order in council provide that such quantities, to be substantial, shall be sufficient to supply a certain percentage of the normal Canadian consumption and may in such order fix such percentage.

Mr. DUNNING: But it could not possibly discriminate between countries.

Mr. BENNETT: It could not possibly, but in view of this section it could, probably. That is the difficulty, and the point I am trying to make is that, having made a declaration, the Minister of National Revenue states it is probable that ten per cent will be the figure mentioned in the order in council.

Mr. ILSLEY: I will say it will be ten per cent.