

Now, may I say just a word to my hon. friends who believe strongly in free trade? The hon. member for Brome (Mr. McMaster) referred last night to his early studies in political economy. I think probably that is where most of us, in the first instance, get our conceptions with respect to matters pertaining to the tariff. But many forget that there is a difference between the theoretical study of a particular subject and its practical application where there are concrete circumstances which have to be taken into account. Many men carry their academic training into the business world and cease to be of any practical use just because they do not realize the difference between theory and practice. If every country of the globe followed a free trade policy, if there were no protective walls erected by other nations, certainly free trade would be the best policy for the world. No man can argue successfully against free trade on theoretical grounds. It is obviously to the interest of all mankind that capital should be attracted to and invested in those industries which in the matter of comparative cost of production afford the greatest natural advantages. That is absolutely sound doctrine. But when you have the countries of the world following not a free trade policy, but instead erecting tariff walls higher and higher, a man ceases to apply his theory accurately when at a given moment he is prepared to concede to other countries the placing of a handicap against the trade of his own. For that reason, as one who believes in the theoretical soundness of the free trade argument, I contend that in the application of all our economic ideas and principles we must take account, as economists do take account, of world conditions as they are and apply our theory in the light of existing conditions.

May I point out, Mr. Speaker, the fact that those who were strongest in the advocacy of free trade, the people of Great Britain, did not achieve their object in a single day, a single year, or even in a generation? Free trade was not brought about in Great Britain in the course of any one parliament. If one leaves out of account altogether the Reciprocity Treaty of 1787 which Pitt negotiated with France, and which was one of the first measures for freer trade, but which was shot to pieces by the Napoleonic War—if one leaves that measure out of consideration, it was some thirty-five years from the time of the first material reduction before the free traders of England were able to reduce the tariffs of their day to the point where free trade became an actuality. **And**

[Mr. Mackenzie King.]

in that period a change had taken place from the England that existed in the day when the movement started. At the inception of that movement England's industries were more or less in their infancy, but in course of time the effect of the so-called industrial revolution made itself felt, the application of power to industry became more and more extended, until England rose to be one of the greatest manufacturing countries in the world. In addition to that, England developed not only her manufactures during that period; she developed also her mercantile marine; her trade upon the high seas; and it was co-existent with the growth of her industries at home and her trade on the high seas that England began to reduce the duties,—a step which ultimately led to free trade. If we were to be logical in this country in what we say with respect to the introduction of free trade, we would study with care some of the essential developments in the English free trade movement. I have referred to the reciprocity treaty with France which Pitt negotiated in 1787. It was in 1825 that Huskisson reduced the high tariff previously existing to a maximum rate of 30 per cent on fully manufactured goods. Peel in 1842 reduced the tariff to a maximum rate of 20 per cent, and abolished the corn laws in 1846. Gladstone in 1853 brought the tariff down to a maximum rate of 10 per cent and finally swept away all protective duties, co-incidentally with the enactment of the second French reciprocity treaty negotiated by Cobden, in 1860. When the British in this cautious way introduced free trade, Britain was indisputably the greatest manufacturing as well as the greatest trading nation in the world. The introduction of free trade greatly helped her traders and did not injure her manufactures, who in almost every product could defy competition. The final step was taken as a result of the reciprocity trade negotiating with the other leading manufacturing nations of the time. Is Canada, which both last year and this has made substantial reductions in her tariff, to throw down the bars completely, entirely irrespective of the policy of our great neighbour to the south, where the high tariff party, as we know to our cost, is in power? The present budget includes a grant of lower tariffs to the one and an offer of negotiations looking toward, lower tariffs to the other of the two great nations with which five-sixths of our foreign trade is carried on, while reciprocity treaties with two other of our leading customers have been brought before parliament.

May I say to my hon. friend from Brome (Mr. McMaster) and to my hon. friends of