

hoped, like Mr. Micawber, that something would turn up to cure the problem, and so it drifted along.

Then, there has been the policy of contradiction. Not only has the Government not done the things it promised to do, but it has done the things it promised not to do. Someone asked me to give an example, so I will give the example of the tax on tobacco. Every honourable senator knows that in 1957 the Government gave the impression—it was the Prime Minister himself—that it was going to reduce the tax on tobacco. What happened? Instead of reducing the tax, instead of doing the thing it promised to do, it did the thing it promised not to do, it increased the tax. Is it any wonder that the tobacco growers in this country have lost faith in the Government and have no more confidence in the Government?

Honourable senators, I would like to refer to just a few paragraphs in the Speech from the Throne, and I am not going to take up much more of your time. There is a paragraph on page 4 of the *Debates of the Senate* of last Thursday which reads:

My Government has decided that the modernization of the Customs Tariff of Canada, on which much has been accomplished in recent years, should be substantially accelerated. To make this feasible on a sound and fair basis, you will be asked to enlarge the Tariff Board and authorize it to sit in two panels.

The next paragraph reads:

You will also be asked to revise the definition in the Customs Tariff of goods of a class or kind made in Canada.

From those paragraphs, honourable senators, and from the recent speeches that have been made by the Minister of Finance, are we to conclude that Canada is now embarking on a policy of high protection?

Are we returning to the days of the high protection of the late Right Honourable R. B. Bennett, who was going to blast his way into the markets of the world by building tariffs as high as Haman's Gallows? Is that what we are to expect? Honourable senators, for several reasons I very much doubt whether at the present time we should make much change in the tariffs. One reason is that just recently the Organization for European Economic Co-operation held a meeting at which it increased its membership from 18 to 20 countries and at the same time changed its name to that of the Organization for Economic Co-operation and Development. That organization is to hold another meeting in mid-December to ratify agreements which were drawn up at its last meeting. The countries involved in this organization are:

Austria, Belgium, the United Kingdom, Denmark, France, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and West Germany. Canada and the United States are now included. One of the aims of the Organization for Economic Co-operation and Development is to attempt further progress toward expanding trade. Is it wise that we should change our tariffs in view of what is about to take place? Meetings are also taking place between the member countries of the European Economic Community and the European Free Trade Association. Changes are taking place there. Then there was a meeting of GATT. Its seventeenth annual session was held in September of this year. These meetings will continue to be held. Another meeting is being held at the present time in France, that of the North Atlantic Treaty Organization. I was deeply impressed by a statement made just last week by Lyndon B. Johnson who said that in the future the United States was going to be more deeply interested in Article 2—which you will recall relates to trade—of the North Atlantic Treaty Organization. The United States is going to be more interested in this than in the question of defence.

In view of all this, is it not rather dangerous for Canada to start tinkering with its tariffs at the present time? We may find ourselves away from all these other nations. I send that out as a warning. Let us be prepared to enter into a wider area of trading rather than into a smaller one.

There is one more matter I wish to mention before concluding. I would like to refer to the reference in the Speech from the Throne to the fact that the Government is going to bring down a supplementary budget. In the first place, I would ask you not to confuse this supplementary budget with the supplementary estimates, amounting to \$54 million which were tabled in this house yesterday and which are to meet the ordinary costs of running the country. Probably a lot of that has already been spent. Furthermore, no part of this \$54 million concerns the \$210 million for the Canadian National Railways. There are other costs that this amount of \$54 million does not include. The supplementary estimates only include additional moneys for the ordinary running of the country.

Hon. Mr. Reid: Is that up until March 1961?

Hon. Mr. Macdonald (Brantford): Yes. There is something else coming down as well, a baby budget. I do not know what it is going to contain. It may be called a baby budget because of the few words in it or because of the small amount involved. No one knows.

Hon. Mr. Roebuck: Dry or wet?