

bill—and that is the first provision to which I shall make specific reference—a detailed obligation which shall form the basis of their inquiries and from which, as I understand the matter, they can make no very great departure. That basis shall be the relative cost of production in this and other countries in respect of goods which may enter Canada in competition with the domestic article; the relative cost of production as based on the cost, efficiency and conditions of labour; the cost of raw materials, the capital cost of buildings, the cost of the money used in the industry, and last but not least, the relative efficiency of those who carry on those industries.

May I first, then, say this, that the reference ignores what to my mind is one of the most important phases of the whole inquiry, and that is the effects which tariffs may have, and are bound to have, on the general trade conditions of this country, upon export trade, upon international trade, upon the primary industries, which cannot in the very nature of things be benefited by tariffs. What effect will tariffs have upon them? That question will be ignored or very largely ignored in the inquiries.

The next thought I have to offer is this. We have found in past times that commissions which have been set up to make inquiries throughout the country have met with almost insuperable difficulty in ascertaining the exact productive costs of industries even within our own country. What will the difficulty be when we attempt to ascertain those costs even approximately in countries other than ours? Can facts of that nature so elicited be anything but mere approximations? Can it be anything but a mere mass of information more or less accurate? Yet upon the basis of such investigations, recommendations will be made by the board.

I have stated that the reference ignores one or two of the more important phases in any tariff inquiry. I have said that when considering relative costs, one of the most important relative costs to be considered is the relative efficiency of management, which is an imponderable factor, a factor elusive, a factor which it is almost impossible to establish as a basis of fact, and yet, Mr. Speaker, it is perhaps the most important factor in our fiscal policy, for if we are to have a protective tariff which will equalize sale opportunities between one set of goods and another, we shall be faced with this problem: How shall we protect an industry and yet not encourage inefficiency in that industry? Take any two industries, and given the same rate of wages

within both, the same hours of labour, the same apparent opportunities, one industry will succeed and another fail. Why? Because of the relative efficiency of management in the two industries. What guarantee have we—I am not now speaking in any antagonistic spirit, but because I think this information should be available—that a tariff that would equalize sales opportunities would not put a premium upon inefficiency, would not make it possible for a manufacturer in this country, hiding behind a tariff which is based upon his cost of production to continue to use his worn-out machinery and follow his worn-out methods, and refuse to advance to that stage of efficiency which competition alone can ensure? There, to my mind, is one of the first dangers which must be obviated.

I come to the next step. Amongst the primary duties of this board is that of suggesting the tariff rates which are necessary to meet the conditions and to give equality of opportunity, and there I venture to say that we are approaching dangerously near to that doctrine which gives to an outside and irresponsible body the authority to set up tariff rates. True, as the hon. member for West York (Mr. Lawson), who spoke so eloquently a few moments ago said, the board will recommend a suggested tariff, but that does not relieve the government from the primary responsibility of putting those tariffs into effect or of not putting them into effect. Any government which finds itself faced with suggested specific increases or decreases in the rates of duty will have only one alternative. It must either accept or reject them. What does that mean? If a government rejects the suggested tariff and refuses to put into effect those schedules which have been indicated by the board as essential to equalize opportunities, then I need only refer to the statement which was made by the hon. member for West York and say that the government will be pilloried before the people as being unwilling to accept the consequences of their own actions, unwilling to put into force a protective tariff which has been shown to be essential. Again, if they reject the suggested tariff they will destroy the value of the board. They will have repudiated the result of all its fact finding. They will have made of the board a useless body. If, on the other hand, they accept the suggested tariff, who shall say that the board, and not the government, is the body which has set the tariff rates of this country? It may be because of my limited intelligence, but it seems to me that just as we are faced with a yes or no vote on every question that comes before the house, so every government must