

IMPERIAL ECONOMIC CONFERENCE

CONTINUATION OF DEBATE ON THE MOTION FOR
APPROVAL OF TRADE AGREEMENT BETWEEN
CANADA AND THE UNITED KINGDOM

The house resumed from Monday, October 24, consideration of the motion of Right Hon. R. B. Bennett (Prime Minister) for approval of the trade agreement entered into at Ottawa the 20th day of August, 1932, between representatives of His Majesty's government in Canada, and His Majesty's government in the United Kingdom, subject to the legislation required in order to give effect to the fiscal changes consequent thereon.

Mr. HARRY BUTCHER (Last Mountain): Mr. Speaker, for a few minutes last evening before the debate was adjourned I had been dealing with one of two features of two or three of the articles in this agreement. During the few minutes that are now at my disposal I wish very briefly to draw attention to two or three provisions in other articles of the agreement. I should like to revert to article 3 which reads:

His Majesty's government in the United Kingdom undertake that the general ad valorem duty of 10 per cent imposed by section one of the Import Duties Act, 1932, on the foreign goods specified in schedule C shall not be reduced except with the consent of His Majesty's government in Canada.

Schedule C includes the following items:

Timber of all kinds imported into the United Kingdom in substantial quantities from Canada, in so far as now dutiable.

Fish, fresh, sea.

Salmon, canned.

Other fish, canned.

Asbestos.

Zinc.

Lead.

I cannot imagine that this extraordinary provision will be agreeable to the majority of the British people, but I think they are well able to take care of their rights and privileges in the matters both of duties generally and of duties on food in particular. I remember in the year 1923, a Conservative government then being in power in Great Britain, it was decided to place duties on food. The British government referred the matter to the people and the people answered in no uncertain terms; they were not going to have their food taxed. I have it in mind that the time will come in the not far distant future when once again the British people will be asked to express their approval or disapproval of the action of their government in permitting the food of the people to be taxed, and I firmly believe their answer will

[Mr. Gordon.]

be precisely the same as it was in 1923. In that year only the men in Great Britain had the right to vote on this important question. When the next election comes, the women too will record their votes, and notwithstanding the fact that the majority of the men in Great Britain have always been opposed to taxes on food, I firmly believe that the women of Great Britain are even more opposed to such taxation. They have to make up the family budget and they know the difficulties of providing food for the family. That question, however, may be left, so far as the British point of view is concerned, to the British people, but I foresee there may be very embarrassing times for the government of Canada. The time may come when the matter of a reduction of the duties on these items may be referred by His Majesty's government in Great Britain to His Majesty's government in Canada and then emphatically there will be a most embarrassing time for His Majesty's government in Canada.

Just a few words concerning article 9. There has been much discussion as to the effect of this article which reads:

His Majesty's government in Canada will invite parliament to pass the legislation necessary to substitute for the duties of customs now leviable on the goods specified in schedule E the duties shown in that schedule, provided that nothing in this article shall preclude His Majesty's government in Canada from reducing the duties specified in the said schedule so long as the margin of British preference shown in that schedule is preserved or from increasing the rates under the intermediate or general tariff set out in the said schedule.

One thing is abundantly clear, whatever else may be in dispute, and that is that there are 159 items in the schedule under which no reduction of the intermediate or general rate of duties may be made for the coming five years. In other words, the shackles with which trade in those items is at present encumbered are riveted for that period of time. There are a few outstanding examples coming under this particular article to which I should like to draw the attention of the house. On tomatoes the intermediate tariff is 27 per cent; general tariff, 30 per cent; British preference, free. Last year we imported from the United States of America tomatoes to the value of \$1,321,432, and nothing from the United Kingdom. What does that mean? I think it means that throughout the year and in particular during those portions of the year when Canadian tomatoes are not to be had, the people of this country will have to pay more for the privilege of eating that article of food. There are many others, but two in