

The Prime Minister quoted with great approval the Macmillan report, but I wonder whether he would be prepared to stand by all the conclusions in that report.

Mr. STEWART (Edmonton): Hear, hear.

Mr. WOODSWORTH: I quote one paragraph:

We are emphatically of the opinion that, even if a further fall of wholesale prices be avoided, their stabilization at approximately the present level would be a serious disaster for all countries of the world alike; and that the avoidance of such an event should be a prime object of international statesmanship.

Again the Prime Minister quoted very approvingly the last book by Sir Arthur Salter; in fact the fore part of his address was very largely based upon this book. I almost wondered before he got through whether he had read the book himself or simply followed a memorandum that someone had given him, because he spoke in the most glowing terms of Sir Arthur Salter and said of him that he ranked "as one of the foremost authorities in the world at the moment." Now, what does Sir Arthur Salter say? Let me quote:

To what goal shall any new reform be directed, and by what methods will it best be achieved?

As to the ultimate goal, an economist could only give one answer—the lowest possible, uniform, and stable tariff-levels.

Some hon. MEMBERS: Hear, hear.

Mr. WOODSWORTH:

Apart from "revenue" as distinct from "protectionist" duties, there are perhaps two kinds of desirable exceptions, one economic, one social. First, protective tariffs or prohibitions are justifiable against sudden and temporary dumping, designed to kill a competitive enterprise; and, secondly, for social or similar reasons, some countries might foster certain activities which they consider a desirable element in the national life. It may be, for example, that it is worth while for a given community, in the interests of a varied social life, to sustain some economic loss in order to avoid the specialization in a few activities which complete freedom would involve.

But, if we believe in world trade at all, its economies and advantages, a tariff to compensate for differences in wage-level, or in cost of production is mere nonsense.

Again.

A so-called scientific tariff usually means one which is based on the principle of compensating for differences in costs of production. This either represents a mere fallacy, or it is a policy destructive of international trade in anything except the few things that cannot be produced at home at any cost however exorbitant.

And again

Indeed, if we believe in international trade, the only mitigating circumstance about what are

usually called "scientific tariffs" is that they never are in fact scientifically framed and applied, for if they were trade would disappear. But if this is not their principle, what is? Let us face frankly the fact that the operative principle underlying the flexible, varied and changing system is usually just this, and nothing more: that those interests which are so organized as to exercise the strongest political pressure get protection, or the highest rates of protection, at the expense of the rest of the community.

The evil consequences are illimitable. Time, energy, attention, money that should be devoted to improving processes, are devoted to persuading politicians. The system offers the highest rewards, the richest spoils, to those who can most successfully corrupt the government. The machine of government itself—in the widest sense, including the ministry, the civil service, the parliament, and the electorate,—cannot under these conditions, and does not, remain honest and competent enough to perform its primary tasks.

Mr. COOTE: Is that Sir Arthur Salter?

Mr. WOODSWORTH: Yes.

Mr. SPEAKER: The hon. member has spoken forty minutes.

Mr. WOODSWORTH: May I say that Sir Arthur Salter is the man whom the Prime Minister quoted and of whose words he said:

That is the firm and considered conviction of one who, having had perhaps greater opportunities than any other through being in the very centre of the world movement, is able to express an opinion of value.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, I know the house is very anxious to vote, and so am I.

Some hon. MEMBERS: Hear, hear.

Mr. IRVINE: I knew you would all agree. But I want to ask the indulgence of the house for, I hope, not more than ten minutes. I want first of all to make a statement with regard to the amendment now before the house, since it happens that we have to vote upon it in a very few minutes, and in view of the remarks made by the right hon. leader of the opposition (Mr. Mackenzie King) in that regard yesterday afternoon. In the second place I want to correct what really amounted to a misrepresentation of the position taken by this group with respect to financial credit as expressed in the subamendment which was defeated last night.

With regard to the amendment, the right hon. leader of the opposition wondered how it was that we of the Independent groups could not attach our subamendment to the amendment. I want to read one section of