

"Preferences are not the best medium of promoting trade within the Empire as their effect is merely to enlarge the field of competition and they often injure home industries. A scheme could be worked out under which each would sell to the others those things it produces in excess of its own needs and would buy from the others the things it cannot produce."

Mr. Bennett added that this result could be brought about by a series of agreements and not by preferential tariffs.

The preference, however, did arise as a major political issue in the last session of parliament when the Liberals greatly extended it.

Mr. Bennett met the issue squarely. He said, page 1915, unrevised Hansard, 1930:-

"This I will say, in order that there be no misunderstanding about it: If a dollar goes to the British West Indies that should go to a Canadian, it is not better if the money went to the United States."

Mr. Mackenzie King:- "Shame."

Mr. Bennett:- "I want to repeat it. I stand for Canada, and upon that issue of Canadians before any other people in the world I am prepared to seek the suffrage of my fellow men."

Mr. King:- "What about the British Empire?"

Mr. Bennett:- "I am for the British Empire next to Canada.... I am for the British Empire after Canada. Let me put this question to the Minister of Finance, and let me put it also to the unemployed walking the streets today: If we buy steel in Pittsburg and those men are deprived of employment; if we now shift the buying of that steel to another country, what boots it the unemployed?" (Mr. Bennett in speaking of 'another country' clearly meant Great Britain) "If this country has attained equality of status with respect to constitution matters, this country stands to maintain its economic life against the world. What is more, the development of the British Empire lies in the development of each unit comprising the Empire .... Any legislation that subordinates this country either constitutionally or economically to any other country, whether it be within or without the British Empire, is bad legislation."

Again, page 1916:-

"Preferences, whatever they may be, must be preferences which are mutually advantageous. Let us have no differences about that. Even from the days of Sir John A. Macdonald, when he put the matter as clearly as he did, and from the days of Tupper and others it has been made abundantly clear that preferences to be valuable must be mutually advantageous."

Again, page 1923:-

"To grant trade preferences to another State or Empire without founding those preferences on a mutually helpful treaty is unsound business, profitless and filled with ill-will and misunderstanding."

*Of reciprocity  
treaty*