

particular policy, but with an open mind to see how they can further to the greatest degree possible the well-being of all.

Before this debate is concluded, the Prime Minister should give us the assurance that Canada's attitude will be of like character, that she will enter this conference with a perfectly open mind, and will not hold to the theory that the only goods to be admitted to this country from Great Britain will be those which will come in over a tariff high enough to keep out those things which are produced or manufactured within our own borders.

If this conference is to be a success, the Prime Minister will also have to give up the idea of seeking to make his adjustments with Great Britain on a bargaining basis. I should like to have said a good deal about this idea of bargaining as a means of negotiation between countries. Whatever may be said about bargaining between Canada and foreign countries, the same arguments do not apply to an attempt to bring about agreements between this country and the other British dominions, and, in particular, they do not apply to an attempt to bring about an agreement between the mother country and Canada. An attitude very different from that of bargaining as commonly understood will have to be taken in connection with Great Britain at this Imperial conference if the conference is going to be a success. I hope the Prime Minister, when he speaks, will give to the Canadian people an assurance that, in seeking to arrive at an agreement with Great Britain, he will proceed, not on a bargaining basis, but more in accord with the attitude taken in this country during the last thirty-three years in negotiations with Britain with respect to tariff preferences.

There are two methods of tariff preferences: one, the granting of preferences by voluntary act; the other, a reciprocal preference arrived at as a result of joint agreement. A reciprocal preference leads to what is known as a locked agreement, one which sets out in specific terms the basis of trading, necessarily restricting the matter of trading as regards both time and the number of commodities, and also limiting, to some extent, the freedom of the nations concerned to trade with the other countries of the world. Such agreements will not help to strengthen the ties of the British Empire and they will not help to improve trade relations between this and the mother country. For thirty-three years Canada has granted to Great Britain a voluntary preference. Now that the British government have changed their fiscal policy, they, too, are in a position to grant a voluntary preference to this coun-

[Mr. Mackenzie King.]

try; and they have done so. That is their attitude as indicated at the present time. I submit that, at the conference, Canada's interests will be more substantially furthered if the results attained are brought about by voluntary concession through concurrent legislation than by means of locked agreements between Great Britain and this country. I believe that is the view held by the Canadian people generally.

The bargaining method is based on the theory that trade is in the nature of war, rather than of exchange. The Minister of Railways and Canals (Mr. Manion), who I see smiling at what I say, just about two years ago remarked that trade was war. I corrected him at the time by pointing out that trade was in the nature of exchange.

Mr. MANION: The people corrected my right hon. friend.

Mr. MACKENZIE KING: He should change his theory in that regard. Especially so far as the mother country is concerned, let us seek to negotiate on a basis which will have regard for trade as in the nature of exchange which is mutually beneficial and which were it otherwise would not be engaged in. Similarly may I ask: Why need we seek to further trade by means of limited agreements, these locked agreements that I have indicated, restricting negotiations in other directions, when to the degree to which the countries interested consider such action advisable it is possible to have that free flow of trade which comes from the removal of tariff barriers?

If bargaining is to be the basis of negotiations between Canada and Great Britain, then I ask on which basis is the bargaining to take place? Is it to take place on the Canadian basis, which has been described by the Prime Minister as the protectionist basis? The Prime Minister says: We will consider no bargain that is not based on the policy of "Canada first." If we are to negotiate on that basis, it means that Great Britain will have to put up her tariffs against Canada to a point equivalent to that at which Canada has put up her tariffs against Great Britain. That will prove to be a very serious thing for this country. What benefit shall we derive in Canada from an arrangement which will not permit any increase of trade worth having, and which, moreover, will threaten the very important position which we now hold in the British market.

I suppose hon. gentlemen opposite are familiar with the fact, that, while Great Britain has a twenty per cent tariff as against foreign nations, there is a provision that that tariff does not come into effect, so far as