

and that anything that helps trade in one direction helps it in another. My right hon. friend will not admit that the reduction of duties to afford a preference is in any way a thing of advantage. He says it must be what he calls mutual, failing to realize that there would be no trade at all, whether there were preference or no preference unless the benefit were mutual. It takes two to trade. He is not satisfied even with a preference on both sides, a mutual preference professedly such. And here again I will ask him to correct me if I am wrong. The preference has to be a preference created over and above existing tariffs on both sides. Take for example Lord Beaverbrook's crusade in Britain at the present time. What is it? It is a crusade based on the idea of tariffs raised for the purpose of giving a preference by doing away with the tariff, or lowering it, as within the empire itself. My right hon. friend expressedly said, "That is not a preference at all within my meaning of the word. That is impossible. So far as my offer is concerned, it defeats the very end I have in view, because my offer is not to encourage free trade or greater freedom of trade within the empire; it is the very opposite; it is to make a self-contained unit of the Dominion."

I think it is very important that this should be clearly understood, because it must affect the whole discussion and our views in regard to the question; and I venture to say that there are many hon. gentlemen on both sides of the house who have never clearly seen the position taken by my right hon. friend in this respect.

In order to make it perfectly clear that such was the view the British government took of the matter, let me read what was said by Lord Passfield in the House of Lords in stating the position of the British government. And in passing may I remark that it is very little wonder that the Prime Minister of Great Britain, when addressing his own parliament, felt obliged to say, in reference to the proposed offer, "tax wheat—we cannot do it." That was the terse reply which the Prime Minister of Great Britain gave to his house. Tax wheat? Put up a tariff wall first of all? That was the condition. To get the reciprocal nature of it, the empire aspect of the preference as my right hon. friend desired it, Britain had to put on a tariff against food and raw materials in the first instance. Mr. MacDonald saw that; they all saw it. He said, "How can we do it? Tax wheat? We cannot do it." That was his answer, and anyone who knows the position of Britain must know that that was

[Mr. Mackenzie King.]

the answer that would be made by any prime minister of Great Britain to any such proposal. Lord Passfield spoke in the House of Lords on December 2. Lord Passfield, it will be remembered, was for a time Secretary of State for the Dominions and is now Secretary of State for the colonies. He was present at all the meetings of the conference—

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Mr. BENNETT: No.

Mr. MACKENZIE KING: Well, some of them. He was present long enough to understand the offers and the nature of them, and he has given an admirable summing up of the whole subject. The record of the House of Lords of December 2, records Lord Passfield as saying:

The main proposal, which is summed up in the proposal that Mr. Bennett made, at what is called the second plenary session, was the principle of preference, which he then and there asked the conference, including the United Kingdom representatives, to subscribe to in principle. It has always been treated as if it was a question of preference, but we quickly found it was not a question of preference as ordinarily understood. It was a question, not of this country or the dominions allowing a preference off customs duties which were in existence, or put on for their own sake, or to meet the needs of the government, but we were asked to subscribe to putting a duty on foodstuffs coming into this country, and especially wheat coming into this country, not because a customs duty was required, or there was any reason for a customs duty in this country, but deliberately in order that we might allow a substantial preference off that duty to empire wheat. . . . That was a proposition to which, mind you, His Majesty's government were invited to subscribe before it was examined in its details. . . .

The Ottawa conference was a proposal of Mr. Bennett himself made at the very outset, and accepted at the very outset for the obvious reason that there was not adequate time to go into this question now. Mr. Bennett's statement, which appears in to-day's newspapers (December 2nd)—

That was the broadside he issued over the "humbug" incident.

—has been quoted, that during the whole period of the conference neither the principle of tariff preferences, nor his plans to make them operative, was seriously discussed. . . .

Nothing was referred to any committee during that Imperial conference except by the unanimous consent of the delegations. And if what Mr. Bennett called the principle of preferences, including a duty on foodstuffs, especially wheat, was not referred to the economic