

fishing, you at once see, so far as those industries are concerned, Canada's home market means very little relatively to those engaged in these industries; that their real market is the world market. They get back purchasing power and it is that purchasing power which creates the demand which is the home market of the manufacturers. If the tariff can be used as an instrument of national policy to help one class of industry, surely it can be made an instrument of national policy equally to help the great basic and primary industries. Why should it not be made an instrument of national policy to help agriculture, lumbering, mining, fishing, those great primary industries?

How can it be made an instrument of national policy to serve that end? First of all, by being so arranged as to make as cheap as possible all the instruments of production; in the second place, by lowering the cost of living on the necessaries of life so that our great labouring population will be in a position to get the real wages which they require for their sustenance and the maintenance of their standard of comfort, and that the primary industries will also have their instruments of production at as low a cost as possible. In that way the basic industries will have an opportunity of competing in the world market. After all, it is world prices that determine whether or not our exports are going to be marketable abroad, and if we want to have effective competition in world markets, we have to make the cost of production as low as we can for those industries that have the world as their market. It is essential, if my right hon. friend wants to develop industry in this country, that he change his policies to that end.

In connection with the imperial economic conference there is a real opportunity, because with respect to many of the necessaries of life, particularly those that have to do with clothing and the like, it should be possible to enable the great body of working men and women in this country to obtain what they require at a much lower cost than is the case to-day, without working injury to any industry that is being efficiently carried on in this country.

I shall not enter at greater length into the tariff question to-night, because it will come more suitably on a discussion on the budget, and then I hope there will be a special opportunity to discuss the whole of the economic conference. I wish just to repeat that so far as Liberal policy in the matter is concerned, we stand to-day with respect to the British preference where Sir Wilfrid Laurier and Mr Fielding stood in 1897 when they granted the

preference to Britain for the first time. We stand where the Liberal party has stood every time it has given increased preference to Britain and other parts of the empire. We stand where we stood at the time we brought in our last budget, the one on which we went down to defeat. At that time we introduced in the House of Commons a budget designed specifically to make possible effective negotiations at a great economic conference, and we are and would be prepared, if we were in office at this moment, to restore the position to where it was when we went out of office at the last election in 1930. Therefore hon. gentlemen opposite will not find us standing in their way with respect to the success of any imperial conference; on the contrary, if they see their way to come somewhat to our point of view, which is, as I have already pointed out, the British point of view, in the matter of negotiations, they will receive from this side hearty cooperation in their efforts.

May I say that the question is much larger than one of trade. When one considers the basis of negotiation between different parts of the empire, I question very much if conducting negotiations in a spirit of petty or blustering bargaining is a good method of approach. A voluntary preference, voluntarily given, was the method adopted prior to the time this government came into office, a voluntary preference which, rather than binding or tying Canada's hands, leaves her free to do what she pleases with regard to her tariff in relation to other countries. If you start in a spirit of bargaining, and bargaining is your method, I am afraid it is going to be the beginning of very serious friction and disruption within the empire itself. When we realize how difficult it is to bargain between two parts of the empire, as we discovered at the last imperial conference, what is going to become of bargains that you try to make between seven different parliaments? I believe it is completely unworkable to approach an imperial conference on a bargaining basis. What the government will have to do is to decide what it is in the interests of Canada to do, to do that on a voluntary basis, and when the British delegates come here, to meet them very much along the lines that Britain by her attitude to-day is showing she is prepared to meet us. If we will approach Britain in the spirit in which she is approaching us, I do not say the result will be complete free trade within the British Empire, but it will mean freer trade and thereby very much more in the way of trade within the British Empire,