

British Empire has a foundation that is impregnable so long as we firmly maintain, in connection with the affairs of each of the self-governing parts of the empire, the conception of fiscal autonomy, along with all other forms of autonomy which we now so completely enjoy. But to surrender something, however small, which will in the least restrict the freedom of the self-governing dominions in their trade negotiations with other countries, or which will occasion a sense of restraint as to the obligations which in a fiscal way are binding as between the different parts of the empire would, I fear, have the opposite effect from that desired by those who wish to see the British Empire continue to grow in unity and strength as the years go by. I will quote in connection with the opinion I have here expressed the words of one whose name in these matters should carry a good deal in the way of authority with hon. gentlemen opposite. I have here a quotation from Sir John Willison's *Life of Sir Wilfrid Laurier*. Referring to a statement which the late Mr. Joseph Chamberlain had made as to the only form of *zollverein* Mr. Chamberlain thought would be of any real service to the British Empire, the author gives his opinion, which may be regarded as expert opinion, of the effect of any *zollverein* upon the development of the British Empire. The statement of Mr. Joseph Chamberlain, to which Sir John Willison refers, is as follows:

I believe the only form that would meet with the slightest favour would be an imperial *zollverein*, in which there would be free trade between the portions of the empire and duties as against strangers.

Sir John Willison at page 307 of his *Life of Laurier* says:

It is necessary to add, at the risk of misunderstanding, that it is not easy to conceive a *zollverein* arrangement that will not restrict the freedom of the colonies—

Colonies they were called at that time, now dominions:

—and tend with changing circumstances to produce irritation and unrest; and that the trade relations between Great Britain and the colonies will probably be better controlled by concurrent legislation than by a joint tariff.

I submit that that paragraph is one deserving of very careful consideration by members of the ministry who will be representing Canada at the forthcoming Imperial economic conference. The conception of a *zollverein* that Joseph Chamberlain had was a tax that would operate as against foreign countries, but to be of any value it would have to be accompanied by complete free trade within the British Empire itself. I do not assume that the present ministry will consider at the forth-

[Mr. Mackenzie King.]

coming conference any development of trade on the basis of free trade within the empire. They have said over and over again that they would not. On the other hand, I do think from the statements made by the Prime Minister in England, and made in this house since, that it is quite conceivable that what the government is not prepared to consider on a free trade basis they may have in mind seeking to bring about on a "Canada first" basis, on a protectionist basis instead of on a free trade basis. In other words, it is conceivable that they will seek to have the British Empire develop on the basis of each of its self-governing parts having protective tariffs so high as to make impossible the importation of goods that are produced or manufactured by itself, and that they will seek to exclude foreign goods by raising still higher the existing tariff against foreign countries. That would be an imperial *zollverein* on the basis of high protection. A policy of that kind I believe would be fatal not only to trade within the empire but fatal to the future development of the empire in other respects, and I think this is the best moment at which to give expression to that view.

I repeat again, I hope my hon. friend will to-day, on Empire day, make at least a gesture of an attitude which really means that the government desires to see trade within the British Empire furthered through the reduction of duties in a way which will permit of the flow of commodities into this country, to be accompanied by a similar flow from this country into all other parts of the empire. I hope the minister will give us some assurance that at least something of the kind is in the minds of the ministry, or, better still, that at the approaching conference they may have something of the kind to propose.

Mr. RHODES: I am quite sure that the right hon. leader of the opposition will not misunderstand me if I do not at this stage of the session attempt to reply to him at length, or that on the other hand he will not take exception if my reply is quite brief.

I am at one with my right hon. friend when he expresses a desire for trade within the empire. I do not think he need have any misapprehension that it is in the mind of the government to erect a wall, as it were, around the empire, for the exclusion of trade with the rest of the world. While I have always been a strong advocate personally of empire trade, and I believe much can be accomplished for the benefit of the different dominions through the stimulus of empire trade, I have never understood that that meant that we were to