

has been made with one country this section does not permit the governor in council to extend the benefits of that agreement to a different country in connection with which the British preferential, intermediate or general tariffs have applied. It seems to me that there is a different principle involved. There are only three tariffs authorized by parliament, the general, the intermediate and the British preferential, and section 4 does not give the right to extend these tariffs to various countries. I submit that you must obtain the right from parliament to provide schedules under the general, intermediate or British preferential tariffs and it seems to me that when you obtain that right would be time enough to provide that it could be extended to some other country.

Mr. RHODES: Is my hon. friend keeping section 11 in mind?

Mr. RALSTON: I was looking at section 4.

Mr. RHODES: Section 11 reads:

The governor in council may by order in council make such reductions of duties on goods imported into Canada from any other country or countries as may be deemed reasonable by way of compensation for reductions on Canadian products granted by any such country or countries.

Mr. RALSTON: You do not use the words "favoured nation treatment." While you are making an agreement with Poland you might at the same time make one with Great Britain, but as my hon. friend for Hants-Kings (Mr. Ilsley) points out, only reductions would be made under the authority of section 11.

Mr. RHODES: You would have to deal with them commodity by commodity; you would not use the words "favoured nation treatment."

Mr. RALSTON: I am trying to retain the control of parliament over customs tariff items. There are really four classes of tariffs, general, intermediate, British preferential and special items provided under section 11 by way of compensation. My hon. friend wants to extend matters one step further. Having provided for special items by way of compensation to apply to a particular country my hon. friend wants to apply these to some other country notwithstanding the fact that there is no compensation provided by that latter country. My hon. friend has the power to carry this through if he so desires but with all deference I oppose the extending of that right of the governor in council.

Mr. RHODES: I do not press my contention so far as that is concerned, but I submit that there is a sound reason for the action we have taken in the budget in asking for authority by order in council to grant favoured nation treatment to British countries. Otherwise we are in the anomalous position of placing British countries in an adverse position as compared with foreign countries. I think it is desirable that we should have the same authority with respect to every country, but if there is any serious objection I would not press it under all the circumstances at this stage of the session.

Mr. STEWART (Edmonton): Why have you not authority under the present section 11 to do what you are desirous of doing? Is it because of a special treaty?

Mr. RHODES: Until this budget we could not in terms grant favoured nation treatment to any British country, and it is a fact that there are favoured nation items which are lower than the British preference rates.

Mr. RALSTON: But the term "favoured nation treatment" does not seem to be used in the customs tariff at all.

Mr. RHODES: I will try to find the wording in the act.

Mr. STEWART (Edmonton): Would the minister mind allowing this proposal to stand for the present?

Mr. RHODES: Not a bit.

Mr. STEWART (Edmonton): I for one would hate to raise any objection to a reduction in tariffs, nor do I want any discrimination against British countries, but it does seem to me that the minister's proposal requires some consideration before the committee should accede to it.

Mr. RHODES: There is no objection, Mr. Chairman, to allowing the resolution to stand, although it means precisely what it meant when it was brought down two months ago. At the same time I should like hon. members to bear in mind the question whether if we pass this resolution, as I trust we will, it might not be wise to enlarge it along the lines I have suggested.

Mr. RALSTON: Perhaps I went further than I should have in connection with this particular resolution. I was dealing rather with my hon. friend's suggestion to amend it to extend to other countries. I am not opposing my hon. friend's resolution to extend favoured nation treatment to British countries, but I do oppose extending it to any country.