

foodstuffs as a condition of our lowering our duties on British imports. And this was not only because of good-will towards Great Britain, but because he did not consider that we were making any sacrifice or concession for which we should be compensated. His position was that Canada as well as Great Britain would be benefited by the reductions. He regarded trade not as a subject of war or conflict, but a benefit to both parties. And the results showed that he was right. Because, in the decade 1901-1911—when the preference under the Fielding Tariff was in force—the product of the manufacturing industries of Canada increased from 481 millions to 1,165 millions, more than twice as great an increase as in the whole period from Confederation to 1901.

The same happened during the King administration when the British preference was enlarged, and also reductions were made in the general tariff. The product of our manufacturing industries rose in annual value from \$2,500,000,000 to \$4,000,000,000, between 1921 and 1929. There was a fall in value in 1930, due of course to the world-wide depression, but even in that year it was nearly a billion more than in 1921.

The same principle was observed in all the trade agreements made by Liberal governments. They provided always for reductions of duty, never for higher duties on the imports from countries not included in the agreement. The same is true, also, of the memorandum submitted by Sir Wilfrid Laurier to the British Government during the Conference of 1902. The Canadian ministers stated that if they could be assured that the Imperial Government would accept the principle of preferential trade generally, and particularly grant to the food products of Canada in the United Kingdom exemption from duties now levied, or hereafter imposed, they—the Canadian ministers—would be prepared to go further into the subject and endeavour to give to the British manufacturer some increased advantage over his foreign competitors in the markets of Canada. This memorandum has been quoted more than once as an evidence that Sir Wilfrid Laurier set the example of bargaining. But you will observe that Sir Wilfrid made no demand upon the British Government to impose duties on food. He asked for a reduction, not for an increase. He asked simply that Canada should be exempted from any duties then or thereafter imposed. It will be remembered that a small duty of

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a shilling a quarter, equivalent at that time to about three cents a bushel, was imposed as a revenue duty, not by way of protection. Then, instead of accepting Sir Wilfrid Laurier's suggestion, the Imperial Government took the duty off altogether, and in a subsequent election the proposal of preferential duties was rejected by the British electors. After that, Sir Wilfrid apparently dismissed the matter from his mind. He did not withdraw the Canadian preferences. He took no part in Sir Joseph Chamberlain's campaign. He did not make taxation of food for the benefit of Canada an issue in Old Country politics, as it is to-day.

The letter from the Prime Minister of Canada to the President of the British Board of Trade, quoted by my leader yesterday, is of the same tenor. It asks for a remission of duties, not for an increase. I quote:

It—

—the Canadian preference on British imports—

—has never hitherto, in the case of the United Kingdom, been made conditional on the grant of an equal preference in return. We have at all times recognized the importance of conceding to each government concerned the right to legislate as its own interests might demand, on tariff matters, or, in other words, complete control over its own fiscal policy. Should the British peoples decide at any time that it will be in their own interests as well as what they conceive to be the interests of the Empire to make far-reaching changes in their present fiscal policy, Canada will naturally expect that in the establishment of a tariff, full and adequate consideration would be given, through preferential duties, to the interests of Canada's producers and to the substantial preference which Canada accords to British goods.

There is no demand there for taxation of British food for our benefit.

There have been, outside of this Chamber, expressions of opinion that because of the extension of self-government at the Conference of 1926 the Empire was in danger of disintegration, and that the old bonds being gone, the Conference of 1932 was necessary to forge new bonds of an economic kind. From that view I entirely dissent. The declaration of equality of status made in 1926 was the completion of a process of growth in self-government, which, so far from threatening the Empire with disintegration, was and is the true basis of Imperial unity. Free institutions, as was said in the paper containing the declaration of equality of status, are the life blood of the British Empire; free co-operation is its instrument. If there was any tendency to separation—which I deny—the process would surely not be checked by the British Commonwealth meet-