

into Canada, but by raising still higher the wall against all other nations in the world. That was the offer.

My right hon. friend emphasized very carefully, so far as Canada was concerned in relation to goods coming from Britain, the prohibitive nature of the tariff proposals which he was making by saying that it must never be forgotten that they were based on the idea of adequate protection to Canadian industry. And he was to be the judge of what constituted adequate protection. He has told us that his policy was to make Canada an economic unit, to see that whatever was produced or could be produced or manufactured here should be produced or manufactured here and should not come from anywhere else. It is only after that wall has been created, after Canada has been made an economic unit in this way, that Britain is to be allowed to try to get over that wall with any commodities she may have to sell. In other words, his offer was that Canada should have the right to sell her wheat in the British market, but Britain was not to have the right to sell her commodities in the Canadian market. That is the position.

Now let me go a step further as to what was meant by subscribing to the principle of the preference—because, in my opinion, that is most important. It is most unfair to the British government, it is most unfair to other governments that were present at the conference, to have it appear that anyone of them was seeking to reject the principle of preference. The British government made it perfectly clear that, with respect to certain commodities on which to-day there is a tariff in Britain, a preference is being given to Canada by Canada having her goods admitted at a lower rate. The Right Hon. Mr. Snowden, the Chancellor of the Exchequer, undertook that the preference should be maintained for three years, at least so long as the tariffs themselves were maintained. All other dominions had preferences existing in their tariffs, so that there could be no question that every government there was prepared to subscribe to the principle of preference. Yet my right hon. friend makes his statement, his appeals to the country, in a manner that would have it appear that the British government was not prepared to accept the principle which all other dominions wanted. He will probably tell us that he was joined by all other dominions in the demand for preference. Certainly; because all those other dominions have protective walls around their countries at the present time, and they were quite prepared to follow the course which they pursue to-day,

of continuing a preference to Britain, hoping to get a further preference in the British market. Every government in Canada, Liberal and Conservative alike, has taken the view that we should like to get a preference. But we never made our wishes known in the form of an ultimatum. No other prime minister of Canada has addressed the British government in the fashion my right hon. friend has done; no other prime minister has delivered to the British government an ultimatum of the kind he presented, calling upon the government to subscribe to a principle determined in his own way. My right hon. friend's principle of preference was entirely different from what was meant by preference to others present at the conference. I want him to correct me if I am wrong, so that the shall be no mistake as to what sort of preference he meant, or what it was he meant by the principle of preference. He does not mean a preference granted by reducing duties; that is perfectly clear. My right hon. friend admits it by his silence.

Mr. BENNETT: He does not.

Mr. MACKENZIE KING: That is the proposal, whether he admits it or not.

Some hon. MEMBERS: Oh, no.

Mr. MACKENZIE KING: Yes it is; that is the proposal. I shall be glad to have my right hon. friend make a statement when the time comes, but I want to get the position of the matter correctly stated. I wish to repeat, because I think it is all important that it should be understood, that the proposal which my right hon. friend made with regard to the preference, so far as Canada was concerned, was not for a preference by the reducing of duties as they are at the present time, but that it was a preference to be created by the addition in relation to other countries of duties to the duties that already exist. It was that feature of it that made the principle so objectionable to the British government. More than that, my right hon. friend uses the term "empire preference," and by "empire preference" he means a certain kind of two sided or reciprocal preference. He has stated over and over again—all his discussions are along these lines—that a preference of the kind to which I have just referred, the reducing of the tariff in any country, is a one-sided preference. He says that is no kind of preference—failing to appreciate that the purpose of a preference is to help to encourage trade, that all exchange is valuable to both sides, that consumers may benefit on one side and producers on the other, or vice versa, that trade begets trade,