

manufactured and natural products, it is the desire of this Government to effect that equalization and to find a way for our exporters into Empire markets by giving the exporters from those markets a way into ours.

Under our prevailing tariff system, Canada is equipped to make this readjustment. The United Kingdom, through its existing tariff preferences and their application in principle to natural products, will be similarly equipped. We, therefore, will propose that the United Kingdom shall extend the principle of her present tariff preferences to natural products. And on our own part we are prepared to make the necessary adjustments in our tariffs to secure the advantages which we believe will come from this arrangement. Those Canadian industries which now have reached maturity under protective tariffs and are competing in world markets must support this proposal because of the great advantages that are to be obtained for the exporters of natural products. And they will support it, for it is clear that to the country as a whole there will come as a result an increased prosperity in which they cannot fail to fully share.

I have said, before, and I do not desire to minimize the fact, that Canada must have greater export markets for its natural products. No country can live unto itself in this complex age, and with our relatively small population, with our vast and varied natural resources, with our immense exportable surplus in natural products, we perhaps above all other countries must be assured of other markets than our own. And I confidently believe that the people of the United Kingdom will not hesitate to support our proposal knowing on their part that it will mean increased prosperity to many of their basic industries, and through them increased prosperity to all classes in the land.

The Dominion of Canada has always enjoyed free entry into the markets of the United Kingdom. That has been helpful to our development, and we make full acknowledgment of the fact. That free entry has been for products which, generally speaking, did not come in competition with their own. We now propose that the United Kingdom have free entry into Canada for her products which will not injuriously affect Canadian enterprise. Canada in the days when its industrial structure was less strong than it is now, granted to the United Kingdom preferences in her markets. Those preferences we now propose to increase in respect to a selected list of commodities in which Great Britain is especially equipped to supply the Canadian market. And we will ask that for those natural and processed products which comprise the most important part of our exports, we be given a preference. The proposal to us seems a just and reasonable one. Just, upon the basis of the concessions we will be called upon to make; reasonable, upon the basis that the great basic industries of both countries should be the ones selected for preferential treatment because upon the welfare of those industries depends primarily the welfare of their countries.

This Government has tested the soundness of our proposals by the means most likely to determine it. By this arrangement our standard of living will be unaffected. By this arrangement the consumer will be safeguarded against an unwarrantable increase in the cost of commodities. If we apply the same tests to the situation in the United Kingdom, we believe that they will provide the same answer. For inasmuch as this project aims equitably to distribute the concessions which it entails, and equitably to distribute the benefits it confers, in the long run it will prove to be just and beneficial to all classes in all communities of both countries.

On the assumption that measures will be taken to ensure that the effective operation of the agreement will not be impaired by the unfair competition to which I have referred, Canada proposes to grant to the United Kingdom: (1) extension of the free list; (2) retention of the existing preferences in favour of Great Britain, and (3) increased preferences in respect of a selected list of articles in which Great Britain is especially equipped to supply the Canadian market without injuring efficient Canadian enterprise.

And in exchange Canada asks: (1) the retention of existing preferences, and (2) their effective extension to those other natural and processed products of which the United Kingdom is an importer.

The proposal of this Government has been put in terms general enough to permit the consideration of all items that may rightfully claim to fall within the principle of it. It is made specific enough to permit of its discussion by the general Conference and of its detailed analysis by technical committees to be set up for that purpose.

The agreement should be an enduring one.