

importation shall be direct. If that were not done, the business of Canada would be done largely by commission merchants operating from New York. The idea is not only to encourage direct importations to Canada, but to promote the interest of those engaged in trade in Canada rather than to have the business, as I stated, done through commission merchants operating, let us say, in New York.

Mr. JACOBS: How does this affect Canada when merchants do business, say, with the United States through commission merchants or with eastern countries direct?

Sir THOMAS WHITE: I do not say that is inadvisable in most cases, but if the business can be done wholly within Canada, it is advisable that it should be so done and that has been recognized in all tariffs. That does not necessarily mean that it is right, but it seems to me, if we can promote trade in Canada by giving a preference, as we do in the tariff, to direct importation, it is advisable in the national interest to do so.

Mr. JACOBS: It is not, I presume, on the principle of "no truck nor trade with the Yankees."

Mr. ROBB: I should like to draw the attention of the minister to tariff items Nos. 60 and 61, where he places wheat, wheat flour and semolina on the free list. In justice to the milling interest of Canada, would the minister not be disposed to place flour mill machinery, oils required for flour mills, leather belting and the bags in which the flour is packed, on the free list? In support of this, I would point out that last year—I am speaking now from memory as I have not the exact figures, but I am nearly right—one of the large milling concerns in this country wanted a carload of bags. They wrote for prices to all the cotton mills in Canada and also to cotton mills in the United States. They decided to buy the cotton in the United States. They bought one carload of cotton in the United States, imported it to Winnipeg, paid the Government \$4,800, and the bags cost them \$300 less than had they bought the cotton in Canada. The minister can readily understand that under those conditions Canadian milling will be under a very great handicap if he allows United States flour to come free into Canada from mills that buy their bags cheaper than the Canadian mills. That is one feature of the case. The other feature I wish to draw to the attention of the minister—and I know I am preaching to a man who is already con-

[Sir Thomas White.]

verted, because he has already declared himself along these lines—is that if this goes into effect, he will be doing a great injury to the dairy interests of Canada. While the minister has placed wheat, wheat flour and semolina on the free list, he has not placed bran and shorts on the free list, but bran and shorts are on the free list going into the United States, and the result will be that the dairy farmer in the United States will have cheaper bran, shorts and middlings than the Canadian dairy farmer. The minister could square matters to a certain extent by placing bran and shorts on the free list. I should like to know his mind on this matter.

Sir THOMAS WHITE: With regard to the first question of my hon. friend, there is a great deal to be said for the proposition that when a product is on the free list the duties upon the raw material, machinery, plant, etc., used in the production of that article should be reduced or wholly removed. That is a matter that I think, with respect to this particular case, ought to be taken up on the general revision of the tariff which we have in mind. The matter has been drawn to our attention by some engaged in the milling industry, and they have been satisfied with the statement that the matter would receive consideration. I do not mean to say that any intimation has been given as to what will or will not be done; that would be improper. I simply mean that this is a subject that should receive careful consideration on the general revision of the tariff. I am informed that no hardship is likely to result to any of the millers this year; therefore, the matter might very well wait. I think the same might be said with regard to bran and shorts. I think we shall be in a much better position after an investigation of the tariff situation this fall to deal with these questions. We will then know more, probably, of what the United States is going to do. I hope my hon. friend will be content with the assurance that these matters will receive consideration in connection with the next general revision of the tariff.

Mr. McMASTER: I wish to say a word in support of the position taken by the hon. member (Mr. Robb). I would point out to the minister that this is a question which does not concern the millers alone. It concerns the dairying interest, one of the largest interests in the country, an interest whose operations extend from the At-