

approximately the intermediate tariff; from Hawaii we received 377,000 pounds, and from Venezuela, 291,000 pounds, under a *modus vivendi* equivalent to most favoured nation treatment. So it will be seen that of our 35,000,000 pounds more than 34,000,000 pounds entered from those countries receiving either British preferential or intermediate tariff treatment. I think it is generally desirable to have some advantage in our tariff to offer countries with which we desire to make trade agreements. That is particularly the case in connection with tropical countries producing commodities such as coffee, and I am sure it will be of considerable advantage in negotiating with those countries.

Item agreed to.

Customs tariff—28a. Tea, imported direct from the country of growth and production, or purchased in bond in the united kingdom or in any British possession . . . per pound; when in packages weighing five pounds, each, or less, the weight of such packages to be included in the weight for duty: British preferential tariff, 4 cents; intermediate tariff, 8 cents; general tariff, 8 cents.

Provided, that tea shall be entitled to entry under the British preferential tariff upon evidence satisfactory to the minister that such tea has been produced wholly in the British dominions, colonies or possessions, and not otherwise.

Mr. BENNETT: What are the changes in this item?

Mr. DUNNING: There is just a slight change in the wording, consisting of the insertion of the phrase "or in any British possession" after the words "united kingdom." This has been done to permit certain empire teas, produced in various British possessions in the Malay peninsula, to enjoy the benefits of the British preferential tariff which heretofore they have been unable to do because such teas have come to Canada by way, for example, of the island of Ceylon. Some of these teas, although entirely British in origin, are transhipped in the island of Ceylon, where they are assembled and prepared for shipment to the ultimate destination. A great deal of this assembling and preparation for shipment is done at Colombo, Ceylon, and under the item as it stood heretofore teas so prepared and reshipped could not qualify for the British preferential tariff because they were neither shipped direct from the country of growth or production nor purchased in bond in the United Kingdom, which were the only two exceptions. It is now proposed to regularize the tariff by including these words.

Item agreed to.

Customs tariff—28b. Tea dust, sweepings or waste, when imported by manufacturers of caffeine, crude or refined, for use exclusively in the manufacture of caffeine, crude or refined, in their own factories: British preferential tariff, free.

Provided, that tea dust, sweepings or waste shall be entitled to entry under this item upon evidence satisfactory to the minister that such tea dust, sweepings or waste has been produced wholly in the British dominions, colonies or possessions, and not otherwise.

Mr. BENNETT: The minister will observe that in the intermediate and general tariffs he has nothing at all. It is free under the British preferential tariff; is it free under the others also?

Mr. DUNNING: No; it will not be admitted under the other tariffs. The proviso covers that.

Mr. BENNETT: The other day the minister complained bitterly that when a certain government was in office it made no provision for intermediate and general tariffs with respect to cut flowers. This is exactly the same type of item.

Mr. DUNNING: But my hon. friend had the word "free" in the cut flowers item. This is an item which we intend shall come in only from British countries. It is an entirely new item, to provide free entry under the British preferential of tea dust or waste imported for use in the manufacture of caffeine. Tea dust or waste is one of the great natural sources of the world's production of crude caffeine. The latter already enters Canada free of duty for refining and further manufacturing, and under the new item it is proposed that the raw material shall be allowed similar free entry in order that crude caffeine may be produced in Canada from tea dust so imported. I was going to call attention to the matter my right hon. friend has just mentioned, that the benefits under the item are restricted to the British preferential tariff, and therefore will apply only to tea dust sweepings or waste produced wholly in British countries.

Mr. BENNETT: If it comes from any other country, what is the duty?

Mr. DUNNING: Tariff item 28 will cover it, tea, n.o.p.

Mr. BENNETT: That would be a lower rate than the existing one, eight cents.

Mr. DUNNING: It is the heaviest tea rate.

Mr. BENNETT: No.

Mr. DUNNING: It will be ten cents a pound.