

Mr. HEPBURN: The Prime Minister has taken the responsibility of saying that there shall be no increases in price as a result of these tariffs being imposed. That being the case, it would appear that these tariffs must be prohibitory in their nature; otherwise they would have to serve as a revenue tax, and if they serve as a revenue tax, that tax must be borne by the consumer. Having in mind that the tariff must be prohibitive in order that the Prime Minister may make good his statement, I should like to know how he can reconcile his statement with that made by the secretary-treasurer of the Talbot Shoe Company of St. Thomas who says that they have suffered from the effect of importations of men's shoes from England during the past few years owing to the fact that English shoes have been sold in Canada at a lower price than that at which Canadian companies are able to put out the same product. If the Prime Minister prohibits the importation of these English shoes, the Canadian manufacturer is put into the position that he must supply the market, but according to this shoe manufacturer he must supply that market at a price lower than the cost of production or increase his prices. There is a certain anomaly there. Can the Prime Minister explain it? How can the Canadian manufacturer supply the market at a price which he now states is lower than the cost of production?

Mr. BENNETT: The question, while it may appear difficult to answer as a matter of theory, is not so as a practical matter of business. I had before me, for instance, evidence in connection with certain shoes that were imported from Northampton and the factory in which they had been produced had been visited and inspected. The machines were not as good as ours and the operatives were no more skilful nor better equipped for their task than those in some of the shoe factories in Quebec or in Ontario where the principal part of the industry is located. But the shoes were dumped on our market and the price at which they were being sold in this country was calculated to do one thing only, and that was to destroy Canadian business. But that same Canadian industry with volume could sell its shoes cheaper than the fair market price at which the products from abroad were being sold. This meets the case exactly.

Mr. HEPBURN: This refers to British shoes, not to United States shoes.

[Mr. Bennett.]

Mr. BENNETT: I said British shoes—Northampton, England.

Mr. YOUNG: I was very much interested in this new way of making tariffs. One would gather from the correspondence read by the Prime Minister that these gentlemen had been approached by the government, perhaps written to, asking them to make certain suggestions. I would like the Prime Minister to read to the house one or two of the letters that have been sent to Canadian manufacturers asking for those guarantees.

Mr. BENNETT: I explained to the committee that the memorials from which I have read were presentations of committees of the various persons affected. That is the position.

Mr. HEPBURN: At whose instance did they supply these memorials?

Mr. BENNETT: At the instance of the government.

Mr. YOUNG: What we would like to have is the communications from the government.

Mr. BENNETT: There are no communications. They did what every businessman would do. They saw that there was to be another session of parliament and what matters were to be dealt with. They made applications. I am bound to say that in the nature of things we could not deal with them all. Many of them that have been made have not been dealt with, although in my judgment they should be dealt with and will be.

Mr. YOUNG: Did all these communications come spontaneously without any inducement from the government?

Mr. BENNETT: So far as the Department of Finance and, I believe, the Department of National Revenue are concerned, they came without solicitation, if that is what the hon. gentleman means.

Mr. STEWART (Edmonton): May I be permitted to assure myself with respect to what I think was a chance remark made by the Prime Minister this morning, that when price regulation, of whatever sort is proposed by the government, is to be enacted, the difference now existing between the price of the domestic product which is affected and that of the imported product, and the duty now in effect will be taken into consideration. If that is so, then I can conceive my hon. friend will have some measure of control. Have I made myself clear?

Mr. BENNETT: I think I follow the hon. gentleman. The prices two weeks ago were prices that were fixed, first of all, on domestic