

(which are materially larger than those to Canada from Newfoundland) feel that cost of according to Canadian produce and manufacturers same preference as granted to Great Britain and Northern Ireland would be prohibited from the point of view of revenue unless a preference were granted by increasing existing tariff rates, a course which in view of low standard of living at present existing in Newfoundland and depressed conditions of fisheries, they regret would be impracticable. While it is true as stated in your telegram that Canada admits Newfoundland fish free of duty, similar preference to Canadian fish is granted by Newfoundland and in addition Canada has valuable rights of fishing round the coast of Newfoundland and calling at any Newfoundland port for bait and ice.

With regard to the abolition of duty on men's and youth's rubber boots, these boots are principally used by men engaged in Newfoundland fisheries and it is essential that cost of fisheries should be reduced to lowest possible limit to enable Newfoundland compete with other countries extensively engaged in this industry. The Commission accordingly trust that you will recognize their inability to accede to your request. It may further be remarked in this connection that a preference to Canada under this item would necessarily have to be extended to India and the Straits Settlements which it is understood are able to produce rubber boots at prices considerably lower than Canada.

NOUVELLE-ZÉLANDE/NEW ZEALAND

958.

Le Premier ministre au premier ministre de Nouvelle-Zélande
Prime Minister to Prime Minister of New Zealand

TELEGRAM 6

Ottawa, May 14, 1931

CONFIDENTIAL. Your telegram March 18. With reference to our several communications over recent months, the Government of Canada will be pleased to enter into negotiations with your Government for the purpose of completing a trade agreement between the two Dominions. In your confidential cablegram under reference you suggest reasonable concessions on New Zealand butter to maintain a more equitable balance of trade between the two countries. We would like to meet you in this connection but would point out that butter is a commodity which can only find a market in Canada when local production falls off due to varying causes and consequently market must always be more or less uncertain. Canada is now producing more than sufficient butter for domestic requirements and evidence of this is afforded by the fact that the current wholesale price today is nineteen cents per pound. Dairy production is likely to continue on a large scale but if circumstances arise where butter imports are necessary our Government is prepared to continue to give overseas Dominions decided preference.