

unquestionably be assumed by the manufacturer and not passed on to the public, unless we introduce a one-fifth cent piece in Canada.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. NEILL: I rise to a point of order. I wish to correct an error in Hansard of yesterday, in connection with these tariffs. At page 1115 of Hansard the Minister of Trade and Commerce gives two tables showing some comparisons of duties in relation to the present trade agreements. It is merely a clerical error. He gives the British duty on eggs as 1s. 2d. to 2s. 1d. per dozen, which is a gross mistake, because it runs from 1s. to 1s. 9d. per great hundred. That is an entirely different thing. I do not think the minister would like to have an incorrect statement like that remain on the record.

Mr. YOUNG: Judging from his remarks just before six o'clock, the Minister of Finance did not quite grasp the point I was trying to make. I do not think it is due so much to lack of understanding on his part as to a want of clarity on mine. However, I will try to explain briefly now what I had in mind. Under this legislation the duty on cocoa butter is to be increased from two cents to three cents per pound both in the intermediate and in the general rates, while the nominal rate under the preference will still be free. Now, we import 4,000,000 odd pounds, and one cent per pound added to the price of that would represent \$40,000 a year. We produce at home 1,500,000 pounds, and one cent per pound added to that would be the equivalent of \$15,000, or a total of \$55,000 per year. That, I pointed out, would be the cost of diverting this trade to Britain. When I said that the cost to the country would be three times that amount, or \$165,000, I meant that the total rate of three cents per pound would be charged the Canadian people and that would be what the industry in Canada would cost us. The cost of protecting the industry, I indicated, would be the total rate of three cents per pound or \$165,000 a year.

The minister said that the object of this legislation was to give a preference to Britain, and he quoted figures to prove that the rate from Britain under the new arrangement would be practically the same as the rate from other countries. During the supper hour

I secured the latest bulletin from the department in regard to the exchange rate. The pound today is quoted at \$3.73, and the value declared by the department is \$3.71; that, subtracted from \$4.40, leaves 69 cents. That 69 cents then is the dumping duty that will be imposed on the pound sterling in the next two weeks. Sixty-nine cents on a valuation of \$3.73 is 18½ per cent, so that the dumping duty from Britain will amount to 18½ per cent; and adding to that three per cent we get the duty paid value, which would be approximately 21 per cent. That will be the duty on this article coming from Great Britain. The rate from the Netherlands or the outside world will be three cents a pound on a valuation of 15 cents, or approximately 20 per cent. Add to that the three per cent dumping duty on \$1.20 and you get 23½ per cent or thereabouts, so that the preference to Britain is not three cents a pound but about 2½ per cent. That is about all the preference that Britain is getting under this arrangement.

The minister says that this was done to give Great Britain a preference. May I ask him whether, at the time this item was put in the schedule, he had in mind giving Great Britain such a slender preference as that?

Mr. RHODES: I can only answer my hon. friend's remark by saying that if Britain had a preference before, which was the contention of hon. gentlemen opposite—that the tariff remained free, two and two, under them—we certainly have increased the preference to the extent that we have changed it to free, three and three. With respect to the other portion of the hon. gentleman's argument, I have nothing to add to what I said before dinner.

Mr. YOUNG: I am not so much concerned with what was done before. If the Liberal party were not logical in their stand, that is their own funeral. I want to know what the situation is now. Here we are passing legislation under an agreement with Britain, under which she is to have apparently a preference of three cents a pound on this article. But the fact is that when we figure it out the preference amounts to only two per cent, a mere negligible fraction. My contention is this. If the rate of three cents a pound is high enough to shut out that article from Holland or from other countries, a rate substantially the same will shut it out from Britain, so that we shall be getting the product made in Canada. My hon. friend says that this is a revenue item, and the Minister of Trade and Commerce made a very good point when he said that this is an article