

chandise and wages and that of the foreign depreciated currency in terms of foreign merchandise and wages. In the case of the tax on British currency, Canadian regulations have consistently favoured British exporters and Canadian importers to the extent of from five to ten per cent in the pound sterling, representing a penalty to Canadian producers of anywhere from one to two and a half per cent on every invoice of goods imported from the United Kingdom. It must be remembered also that the Canadian cotton mills are paying a premium on all purchases of raw cotton and supplies imported from gold countries which offsets, together with other market considerations, the larger premium paid by British manufacturers on similar purchases.

These various factors combined, together with the low level of commodity prices on which values are now being fixed, made for a lower degree of protection per pound to the domestic cotton industry under present tariff rates than under the rates existing prior to 1930.

The next important consideration is the question of the consumer or retail price level of cotton goods in Canada. Comparisons of domestic mill price lists over a quarterly period during the past four years demonstrates a steadily lowering manufacturing margin in the Canadian cotton industry, in sympathy with world conditions, and shows that the drop in prices of domestic manufactured goods during this period in unit per pound measure has been greater than the relative drop in raw cotton prices during the period. It is also a significant fact that the retail or consumer prices ruling on manufactured cotton goods in the Canadian market during the current year have been the lowest in the history of merchandising in this country. Cheaper goods have been available on world markets than those supplied by Canadian mills, but quality for quality, the level of domestic cotton mill prices and the retail or consumer price level on manufactured cotton goods in the form of either fabric or clothing, have been maintained on an economic level with wholesale commodity prices in this country and throughout the world.

I am sure, Mr. Speaker, that every hon. member listened with interest to the statement of the leader of the opposition (Mr. Mackenzie King) appearing at the bottom of page 263 and the top of page 264 of Hansard. So that the memories of hon. members may be refreshed I will place the right hon. gentleman's words on record:

... and that if as a party we were returned to office our first objective would be to bring the tariff of Canada back to where it was at

[Mr. Shaver.]

the time we went out of office. May I go a step further and say in connection with that, so that there can be no mistake as to where we stand in the matter of British trade, and the British preference, that we would undertake to give to the trade of the United Kingdom, where goods are imported through Canadian ports, a British preference averaging fifty per cent of our general tariff.

I wish it had been possible that these words of the leader of the opposition (Mr. Mackenzie King), could have been broadcast to every person in my constituency, and particularly to the four thousand men and women who are employed in industry—that in the face of world conditions as they are today, in the face of countries with depreciated currencies, low standards of living and a very low wage scale, attempting to get into the Canadian market, if by some entirely fortuitous circumstance he should be returned to power he would restore the old Liberal tariff of 1930 and increase the British preference to 50 per cent. I can well imagine what the result would be to the textile industry in my own county. I know well what would happen to the cotton industry if importations again began to flow to our country from Czechoslovakia, from Japan, from southern United States and in increased quantities from Lancashire. I also know what the effect would be on the rayon industry in the county which I have the honour to represent, where 1,400 men and women are earning a living at the present time. It would simply mean that in a very few months their trade to a large extent would be taken away from them, that rayon importations would flow into Canada from Japan, Italy, Germany and Holland. It would mean that the large extensions which they have made to their factory since this government came into power would remain idle, that the 400 additional men and women now working as a result of the policy of the present government would be thrown out of work.

I would also like to draw to the attention of the mill workers in my own constituency the probable, yes, what must inevitably be the effect, on the fine paper industry if the right hon. leader of the opposition should restore the rebate of eighty per cent on fine paper used in magazines, which would allow it to come into Canada from the United States over a tariff wall of five per cent. Thousands of tons of that paper came in for several years prior to 1930. Now, owing to the policy of the present government, carload after carload of fine book paper for Canadian magazines is being shipped out of the town of Cornwall and the village of Mille Roches.