

British preference rate is thirty-three and one-third per cent?

Mr. FOSTER: You will notice that there is an alternative stated. The exporter from the West Indies, sending his goods into this country, gets the lower rate of duty. If the duty set out in our tariff is at any time lower than four-fifths of the duty levied upon the goods coming from any foreign country, then that is the rate under which the West Indian goods come into this country. If four-fifths of the duty levied upon goods from a foreign country happen to be in any case less than the British preferential rate as it stands under our tariff at the time, he gets the benefit of the latter or lowest duty. It works out that the preference as it is to-day on the statute-book is given under this arrangement to the goods from the West Indian Islands that are parties to this arrangement. It does so happen that in a number of cases four-fifths of the duty leviable upon the goods from a foreign country are a lesser rate than the full British preferential tariff, and in that case the West Indian exporter gets more than he would under the British preferential tariff. In the majority of cases, of course, the British preferential tariff gives a better entrance to West Indian goods into our market than would the four-fifths' provision. In that respect, we have not heightened the duties upon the West Indian goods, so far as the participants to this arrangement are concerned. In making a trade arrangement for a period of years, something like finality was necessary. We are not bound to say that the British preference of to-day shall be the British preference of next year; we may make a larger British preference on certain articles; there have been already several changes made in the British preference. The West Indies said to us: If we are going to give you for ten years a certain stated preference in our market we want to be sure that we can get an equivalent stated entrance into your market for that same period; as it is within your power to change the existing preference, there is no guarantee of uniformity; we say we will always give you a certain preference below which that preference shall not go, and we wish you also to guarantee a certain stated preference below which your preference to us shall not go.

Mr. PUGSLEY: We have for a great many years been giving a preference to the West Indies in our markets of 33½ per cent, and I suppose we shall continue to give them that preference. The West Indies, on the other hand, only agree to give us a preference of twenty per cent, which is a very low preference as compared with that

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which we have been giving them under the British preference. Why did not the hon. gentleman succeed in getting the West Indies to give Canada a preference of thirty-three and one-third per cent, as we have been giving them?

Mr. FOSTER: The British West Indian Islands are differently situated with regard to revenue capabilities from the Dominion of Canada. Their revenue comes to them from their taxation alone, largely on food products, and they felt it was impossible for them to give a greater cut than one-fifth. That was the highest limit the West Indian Islands thought they could set. We would have been glad in a way to have obtained more, but when you take the whole matter into consideration, the preference of one-fifth which the West Indian Islands undertake to give to Canada and the Mother Country is pretty generous.

Mr. PUGSLEY: Then I am to understand that it is the West Indies which refused to make the preference larger?

Mr. FOSTER: I would not like to say refused, but they did not feel they could go beyond that. The report of the British Commission seems to have set the rate to which the Commission were trying to bring the people of the West Indian Islands to a unanimous agreement. Some of the islands might have been able to give something more but there would be manifest confusion to have different rates given by different islands; the aim was to have it uniform for all the islands.

Mr. TURRIFF: It would seem that the West Indies apparently had the idea, knowing the well known protective proclivities of the present Government, that it was necessary for them to have a saving clause and not to depend upon the British preferential tariff, fearing that in all probability, it would be cut down to less than twenty per cent. Apparently, they have taken this means to guarantee to themselves, that at all events they will not have less than twenty per cent. It looks very much as if the intention was on the part of this Government to reduce the British preference, and the West Indies apparently took that view of it. Of course I would not ask the Minister of Trade and Commerce to say now whether it was the intention of his Government to make any reduction in the British preference, but the whole thing conveys that impression.

Mr. FOSTER: If my hon. friend did not wish to make a political argument, he would hardly take that ground. The West Indian delegates were entering into an agreement for ten years by which they guaranteed Canada a certain reduction for