

determine what tariff duties will be imposed for the purpose of equalizing costs. They would not determine what tariff duties this government shall pass but would determine what duty imposed upon a given commodity valued at a given price would give equality of opportunity to all those engaged in the production of that commodity in Canada—not in some other country.

I ask any hon. member this question: Will he go to his city of Vancouver; will he go to his city of Montreal; will he go to his city of Quebec, Halifax or St. John and say to his electors, "I said in parliament that you should be put at a disadvantage in production in this country. I stood in parliament and said you should not have an equal opportunity or fair competition. I stood in parliament and voted that it was nobody's business what type of competition was against you or with what costs of production you were competing." No hon. member would make those statements; no hon. member would say that. We say that one of the first factors to be considered is the cost of production in foreign countries as compared with costs of production in our own country. With some care I followed the observations made by the hon. member for Hants-Kings concerning the remarks of Professor Taussig. May I say that I anticipated the very line of argument that was taken, because I said that the experience in the United States has in part been fortunate and in part unfortunate. Professor Taussig had once been a member of that board and while as a commissioner he had not achieved that measure of success he would have liked, his criticism against the tariff board is indicated in what was read to this house the other afternoon. I find that the present tariff board of the United States constituted as it is—the chairman being an ex-ambassador, Mr. Henry P. Fletcher, and the members being selected as the hon. member very properly reminded us, with due regard to their political activities—has had to deal with questions of very great difficulty. The board has had to ascertain the facts in connection with matters involving costs of production in foreign countries. I have collected about half a dozen of their decisions and one to which I now direct the attention of hon. members is report No. 13 of the second series issued just a few months ago—to be exact on March 12, 1931. This particular report deals with the price of edible gelatin. Edible gelatin is produced in the United States and is produced by other countries as well, notably the Netherlands. The report I now have in my hand, dealing with that commodity, recites the circum-

[Mr. Bennett.]

stances under which the application to the board was made. In fact, the application was made by a company carrying on business in the city of New York but whose works were in the Netherlands. In response to an application for a reduction in duty made on behalf of the New York agent of the Delft Gelatin Works in the Netherlands, the commission ordered an investigation of edible gelatin on March 7, 1930, and the public hearing was held on December 12, 1930. Then follows a description of the commodity and a résumé of the prices at which it is produced in the United States. Following is a statement of the cost of production in the Netherlands. Reading from page 5 of the report I find the following:

As also shown by table 3, the Netherlands is the chief competing country for edible gelatin valued at less than 40 cents per pound, having maintained that position in each year since 1924.

The production of edible gelatin in the Netherlands is confined to a single plant, which uses ossein as its raw material. In 1929 about 55 per cent of the total sales of this plant was shipped to the United States; the corresponding proportion in 1924 and 1925 was 85 per cent.

Then follows the comparability of domestic and imported products.

I would like my hon. friends who are doubtful as to the ability of a commission to ascertain facts to listen to these words:

Basis of cost data.—Of the twelve domestic plants producing edible gelatin, ten were covered by the cost investigation; the others are of minor importance. The ten companies from which costs were obtained produce about 95 per cent of the total domestic output.

The cost data for nine of these domestic concerns were obtained directly from their books of record, and those for the other concern by means of a questionnaire. The data covered the calendar year 1929 for seven of the domestic producers and, for the others, the fiscal year most nearly corresponding to the 1929 calendar year.

The costs of production of the single Netherlands concern for the calendar year 1929 were obtained directly from its books.

To guard against disclosure of the Netherlands company's costs, either directly or inferentially, from the average cost of the domestic product, the commission has omitted the detailed cost data from this report.

And they ascertained the costs in the Netherlands from the books of the Netherlands company, because it was realized that if any company from the outside desired that it should have freer access to the markets of the United States it should make known to the tribunal charged by law with that responsibility the cost data with respect to its own operations. And it did. But obviously, as illustrating the very provision made in the