

He may do that without waiting for congress. As an intimation to the president that if he is prepared to exercise the power which congress has given to him by way of reduction, we are prepared to meet him on similar terms. Mr. Fielding proposed in 1923, the insertion of the following clause in our tariff law, which clause is in effect to-day:

If the President of the United States, under authority of the United States' Tariff Act of 1922, determines to reduce by fifty per cent the duties imposed by such act on the following articles, that is to say:

Cattle, wheat, wheat flour, oats, barley, potatoes, onions, turnips, hay, fish, as enumerated in paragraphs 717, 718, 719, and 720 of the said Tariff Act of 1920.

the Governor in Council may, by order in council, make such reductions of duties on similar articles imported into Canada from the United States as may be deemed reasonable by way of compensation for such reductions of duties on Canadian products imported into the United States.

The appointment of a minister to Washington is a step which it is believed will be helpful, as opportunity offers, in the negotiation with our neighbours of trade treaties of mutual interest and advantage.

With regard to the question of coking plants, the commission's recommendation that immediate practical steps be taken, has been accepted and a bill will be introduced at the present session of parliament respecting the establishment of coking plants at convenient centres in Canada under government assistance, along lines approved by the special committee of the House of Commons, which dealt with the fuel question last year.

The recommendation of the commission that the Tariff Advisory Board should be asked to give immediate consideration to the customs tariff in its relation to coal, anthracite and coke has been met. The matter is now before the Tariff Advisory Board. It would appear desirable at this point to recall that at the session of 1925, as a means of assisting coal production in the maritimes, the customs duty on slack coal was raised from 13 cents to 50 cents. The question of protection on the primary products of iron and steel was, as stated in the report, under the consideration of the Tariff Advisory Board at the time of the commission's investigation. Owing to the existing uncertainty of conditions surrounding the iron and steel industry in the maritimes, the government does not feel in a position to make at present any pronouncement with respect to the commission's recommendation of a renewal of the system of granting bounties with respect to steel when Canadian coal is used in its manufacture.

The government is prepared to accept the recommendations of the commission concerning the establishment of harbour commissions for the harbours of Halifax and St. John and bills with reference thereto will be introduced at the present session.

In connection with port development and the development of trade through Canadian ports, it might here be mentioned that within the past year increased loading accommodation has been provided for the elevator at Halifax; also that the bill "respecting the Canadian National Steamships and to provide for the establishment of a West Indies service," at present before parliament, will have an important bearing upon port development and trade of the maritime provinces. Mention should also be made of the enactment of 1923 whereby a discount of 10 per cent of the existing customs duty in addition to the preference rate is allowed on goods entitled to the benefit of the British preference when shipped via Canadian ports, and of the enactment of last year which restricts the advantages to be derived from the British preference to commodities entering Canada via Canadian ports.

In regard to harbour facilities in Prince Edward Island, it should be stated that the Department of Public Works had begun a survey of the harbours of Charlottetown, Georgetown and Summerside, particularly as to wharfage and storage accommodation, prior to the date on which the commission presented its report. In this particular the commission's recommendation has, therefore, already been acted upon in part. The survey will be continued, in as far as may be necessary fully to comply with the commission's recommendation.

I come now to the important subject of transportation and freight rates and to the far-reaching recommendations of the commission "that an immediate reduction of 20 per cent be made on all rates charged on traffic which both originates and terminates at stations in the Atlantic division of the Canadian National Railways—including export and import traffic by sea from and to that division—and that the same reduction be also applied to the Atlantic division proportion of the through rates on all traffic which originates at stations on the Atlantic division—excluding import traffic by sea—and is destined to points outside the Atlantic division."

Subject to certain modifications, which may appear to be necessary respecting international rates and through import rates by sea, a bill will be introduced at the present session giving effect to this recommendation.