

rating as between the British preference, the intermediate and the general tariff schedules because of the alcoholic content.

With respect to cotton, I say very frankly to the house that there are some classes of cotton goods in regard to which when the price of raw cotton is high the Lancashire workers might not be able to qualify; but as my hon. friend from East Calgary (Mr. Adshead) very well pointed out—and I know from his accent that he understands the cotton business—they will qualify in their better goods. I submit that this is in the interests of the people of Canada.

Mr. CAHAN: Will the minister allow a question? Is he not making his policy in regard to cotton depend upon the price of cotton in the United States and the fluctuating market there?

Mr. ROBB: Not necessarily. As I pointed out when raw cotton is very high there might be an insufficient percentage of labour content in the finished article, but when raw cotton is at a reasonable price the Lancashire manufacturers can qualify on most of their goods.

Now, the government have not been unreasonable in introducing this legislation. It was advertised to the world in the budget speech of last year that Canada proposed to increase the empire labour and material content to 50 per cent, and the house may be surprised to know that up until March 31 there had been no change in the percentage requirement; that is, up until a few weeks ago goods came in under the old 25 per cent regulation. Let us compare our procedure, more than one year's notice, with the procedure in the mother country. I am not sure that my hon. friend from Mackenzie is voicing the views of the government of the United Kingdom, because they recognized that when a change was to be made it was on the principle of "whatsoever thou doest, do quickly." When the British government changed their tariff on optical instruments, they gave Canada a preference of 33½ per cent, and we built up quite a good trade with the United Kingdom in cameras and goods of that description. The British government appointed a committee to look into the importations of these goods from Canada. In their report the committee point out that the quantity of these goods coming from Canada had increased from £2,103 in 1921 to £387,870 in 1925. Then the report proceeds:

This might in the future be prevented, we think, both in the case of cameras and other optical instruments, by raising the proportion of the value of the goods within the schedule which is required to be the result of empire labour from 25 to 75 per cent.

Mr. CAHAN: Did they make that change?

Mr. ROBB: Yes. The report proceeds:

We have carefully considered the question of the sufficiency of the present rate of duty, and having regard to the inadequate protection given by the present rate of duty in respect of many of the articles in question, we are of the opinion that there is much to be said for an increase from 33½ per cent to 50 per cent.

The recommendation that the duty should be increased from 33½ per cent to 50 per cent was embodied in the United Kingdom budget of 1926-27 and was effective from May 1, 1926.

The recommendation that the proportion of the value of goods of empire origin be raised from 25 per cent to 75 per cent was made effective on March 1, 1927, and notice to that effect was given by the Board of Trade on February 1, 1927. Britain gave only one month's notice. I am not finding any fault with Great Britain, they were looking after their trade, but hon. gentlemen will observe that in this case Canada was specially singled out because Canadian trade was coming in under those conditions.

My hon. friend has referred to Australia. In the first place let me observe that the Australian tariff is a very much higher tariff than the Canadian. I am not advocating adoption of the Australian tariff. I think the Canadian tariff is very much more suitable for this country than the Australian. The Australian tariff is very much higher than the Canadian. My hon. friend has said that Australia gives a list of exemptions. That is true. But the Australian requirement is 75 per cent. Let me quote to the house from an official document of the Commonwealth of Australia dated at Canberra, December 8, 1927:

The minister shall determine what are to be regarded as raw materials and in such determination may include partially manufactured Australian materials.

(b) To goods, not wholly produced or wholly manufactured in the United Kingdom in the terms of paragraph (a), provided they contain at least 75 per cent of United Kingdom labour and/or material in the factory or works cost.

(c) Notwithstanding anything contained in the preceding paragraphs, to goods of a class or kind not commercially manufactured in Australia provided they contain at least 25 per cent of United Kingdom labour and/or material in their factory or works cost.

The limitations are there; there are exemptions but they must prove that these goods are not manufactured in Australia. My information is that the exporters are very much handicapped in that when the goods arrive there, there may be an industry employing say four or five men and the customs authorities say, "These goods are of a kind manufactured in Australia and therefore the higher duty must be paid." I submit to my hon. friends that the Canadian tariff is very