

standing of his averages. In the first place, he forgot to mention that in giving the figures for the calendar year it should be had in mind that, at the most, during only six months of that year was the new tariff in application. For at least six months of the twelve on the basis of which he made his computation, the old tariff, with all its virtues—if they were virtues—was still in operation.

Mr. MEIGHEN: I did not have reference to the twelve months at all; my figures were for the first nine months of the fiscal year, from the first of April to the end of the year. I had them officially from the department.

Mr. FIELDING: I think my right hon. friend's figures were for the calendar year.

Mr. MEIGHEN: No, only from the first of April.

Mr. FIELDING: I think my right hon. friend is mistaken. He may look into that, but my impression is that the figures he gave were for the calendar year. However, that is only one point, and perhaps not the vital one. But another point is that the valuation of the goods is a very important consideration in the working out of averages. If all our duties were levied on the ad valorem principle it would be easier to make fair comparisons of averages. But a large portion of the duties is collected under the system of specific duties; we levy so many dollars or so many cents, as the case may be, per ton, per barrel, per pound, or according to whatever unit the trade is accustomed to handle. When the value of these goods varies you get a very different result in the matter of averages—a result that may easily be most misleading. For example, in the year 1911 the duty on the staple article of refined sugar, converted into ad valorem—for it is a specific duty—yielded a rate of 24 per cent and a fraction; in 1921 the duties showed an average of 13 per cent. Apparently, then, there was a great reduction of duty—24 per cent in 1911; 13 per cent odd in 1921. But in reality there was no reduction of duty—on the contrary, the sugar duties had been doubled. They were 87 cents per hundred pounds in 1911, producing an ad valorem rate of 24 per cent; they were \$2 per hundred pounds in 1922, producing an ad valorem rate of only 13 per cent. What is the explanation? When the valuation is high the specific duty works out a small percentage, but when the valuation changes your percentage changes. Take an article costing \$100. A specific duty which, converted into ad valorem, produces 25 per cent, remains the same when the same article later costs \$200, but your average is reduced because it is applied to \$200 instead

[Mr. Fielding.]

of to \$100. Now, all through these calculations it is necessary to observe the variations in value. We had high valuations, and the duties imposed on the basis of those valuations produced certain results. We are now passing through a time of low valuations. Prices are falling; some of us are glad, and would like to see them fall still further. But when the value of goods falls, then undoubtedly there is an apparent increase in your average rate. As a matter of fact, you may have a low average rate when your taxation is high, and you may have a high average rate when the taxation has been reduced; and so it will be found in this case. I say it is important, therefore, that in looking at this question of averages we have regard to the changes in the values. With the exception of tobacco, cigars and cigarettes, every change made in the customs tariff last year was a revision downward.

Mr. MEIGHEN: Will the hon. gentleman permit me before he goes further? Will he not admit that it was when valuations were high, and consequently the incidence of duty low, that he moved to reduce the duty?

Mr. FIELDING: The motion to reduce the duties has been carried out.

Mr. MEIGHEN: With regard to sugar?

Mr. FIELDING: No, not that particular item. I do not think I ever moved to reduce the duty on sugar. I did vote for a resolution that it was desirable to reduce the duties upon as many articles as possible, and we did reduce a large number, we did reduce a great many duties last year. My right hon. friend told us at one time that the reductions were microscopic and at another time that they were molecular. But I noticed that, having described them as microscopic, he turned to the hon. member for Brantford (Mr. Raymond) and warned him that these changes in duties were going to cause the workmen of Brantford to be idle in the streets. So my right hon. friend easily adapts himself to conditions.

Now, that view of matters may easily be enlarged, but I think I have said enough to show that before you treat seriously these values one needs to look into them more carefully and make an analysis—

Mr. MEIGHEN: I may say I have here the figures from the department showing the months I quoted, and the statement I made in interruption of the hon. gentleman is absolutely right.

Mr. FIELDING: Does my right hon. friend say that his figures were not for the calendar year?