

## WAYS AND MEANS

## BRITISH PREFERENCE—REQUIREMENT OF BRITISH OR EMPIRE LABOUR CONTENT

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee of ways and means.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, I desire to bring to the attention of the house some matters arising out of a discussion between the Minister of Finance (Mr. Robb) and myself on Tuesday last, a discussion which centered around the regulation that was imposed in connection with the British preference on the 1st of February last. Before dealing directly with the question at issue, I desire to summarize the events leading up to it.

The Minister of Finance in his budget speech in 1928 announced that this regulation was being put into effect, and he stated that it was brought in with the object of fostering imperial trade. It was pointed out at that time that the regulation would have precisely the opposite effect, that instead of fostering inter-imperial trade it would be an impediment to that trade. The Minister of Finance did not take any serious objection to that. On February 29, 1928, some statements were made in the house by the Minister of Railways and Canals (Mr. Dunning) on the authority of the Minister of Finance. The Minister of Railways and Canals on that occasion said:

As to the criticism which has been uttered with respect to the intimation by the Minister of Finance that in future it was proposed to ask that all goods coming in, taking advantage of the British preference, should have a 50 per cent British or empire content, I desire to say just this: the Minister of Finance gave that intimation in no sense intending thereby to limit the British preference in the slightest degree.

Further on he said:

Some hon. gentleman in the far corner—I forget who it was—insinuated the possibility that the raising of the limit to 50 per cent might have the effect of debarring British goods. I can assure my hon. friend on the authority of the Minister of Finance that there is no intention to permit it to be used for any such purpose, and if as a result of experience it is found necessary to provide a different percentage of content for different classes of goods, as other British dominions have done, it is quite within the competency of the government to work out the solution along those lines.

Later, on March 13, 1928, the Prime Minister in the same budget debate, referring to the regulation in question, said:

May I say to this house; if we discover, in connection with the enforcement of a regulation of that kind, that the consumers of this [Mr. Woodsworth.]

country are in any particular losing the benefits which the British preference was intended to give, we shall not hesitate speedily to make such changes as the circumstances may demand.

Further on, the Prime Minister said:

I wish to say that if that situation arises it is not the intention of the government to make the existing 25 per cent British content one per cent higher than it is at the present time.

The agitation from this corner of the house I believed had some effect; at any rate, the regulation was not put into effect at that time. Indeed, after the statements made by these ministers some of us were rather surprised that the regulation ever went into effect. However, it was made effective on the 1st of February last.

May I say that it appears that this regulation was actually asked for by the textile manufacturers? That would seem to prove to me, at any rate, that these gentlemen knew that it was in their own interests. I am not objecting to that, of course, but it would rather indicate that that regulation was never intended to foster inter-imperial trade. The Canadian Textile Journal in an editorial on November 29 last stated:

Manufacturers and producers will welcome the announcement from Ottawa that after February 1 goods to enjoy the British preference entering Canada will be required to be 50 per cent of empire material and labour, instead of 25 per cent as at present.

Quoting further from the same editorial:

This increase in empire content was foreshadowed by Hon. James A. Robb in his last budget and is due to the repeated demand of Canadian producers.

My complaint in this regard is that it never was intended to foster inter-imperial trade. That is my impression, at any rate, and certainly a wrong impression was created in this house and in the country, I believe, by the words of the Minister of Finance when he introduced his budget.

May I itemize some of the commodities that are affected by this regulation? First, fur. The raw fur used by British manufacturers comes largely from Russia, and as in nearly all cases this raw fur is more than 50 per cent of the value of the finished article, naturally these goods would be debarred from the benefit of the British preference. Then there is copper. I admit that the minister has perhaps more ground for the regulation in connection with copper than in connection with any of the other commodities. Copper is produced in Canada, in Australia and in other parts of the British Empire. But at the present time the Canadian copper producers have no worry with regard to marketing their product; as I understand it, they are