

ment with Britain without attacking one of the few countries that will do business with us, especially when we consider the number of countries that have practically closed their doors to us and the comparatively small and specialized nature of the business that nations such as Holland carry on.

Mr. YOUNG: I am in hearty agreement with the sentiments of the two hon. gentlemen to my left in regard to antagonizing Holland. A story very similar to the one told by the hon. member for Macleod came to me of a miller from Holland at present in western Canada who was approached with regard to purchasing Canadian wheat. "Why should I buy Canadian wheat?" he asked. "Why not?" was the retort. "Because your government" he replied, "has imposed prohibitive duties on the very few things that Holland sells to Canada, and so there is no reason on earth why we should buy your wheat. You have done your level best to destroy Holland's trade with you, and I am not going to buy your Canadian wheat. That is my answer."

Mr. NEILL: Would the hon. gentleman regard a duty of 15 per cent as prohibitive?

Mr. YOUNG: On some articles, yes. Formerly these articles came in free from all countries. Now they are free from Great Britain, 15 per cent intermediate, and 20 per cent general tariff. If Great Britain could not compete when they were coming in free, can she compete when the effective duty is 21 per cent? Because you have to add the dumping duty on to your excise tax and it makes a duty of approximately 21 per cent against these goods coming in from Great Britain, as compared with 15 per cent plus 3½ per cent under the intermediate tariff. The rate is actually higher on goods coming in from Great Britain than from other countries.

Mr. NEILL: Then you cannot kick.

Mr. YOUNG: That is not where my kick comes in. My kick comes in here, that we are putting on a tariff against all countries which is going to shut out these goods and compel us to buy them from the Canadian producer. I want to ask the minister if any representations have been made to the government by anyone in Canada interested in the production of these goods that these duties be imposed; and if so, by whom?

Mr. RHODES: I am not aware of anybody in Canada having asked that these duties be imposed.

Mr. YOUNG: I understand that there have been such representations.

[Mr. Speakman.]

Mr. RHODES: I am not aware of any, and I am advised by my technical officers that we were not requested to impose these duties. The same observations apply to this as to the other item. It was a matter of negotiation between our delegates and those of Great Britain.

Mr. YOUNG: Surely the British delegates never asked that a thing that was coming in free should now be taxed 21 per cent, a higher rate under the British preference than under the intermediate tariff. I understand that representations were made by a company which aspires to produce certain of these goods in Canada, and the people of Canada are going to be made to pay. Further, this tariff will not bring in any revenue because it will be prohibitive, and the people will have to buy the Canadian goods.

Mr. SPENCER: How many of these flowers can be produced in either Great Britain or Canada?

Mr. RHODES: I do not know that I can answer the question with absolute accuracy. I can only answer on the advice which is given to me. I am told that the production of practically all of these items is common to Great Britain and Canada, and in British Columbia there is a very substantial industry.

Mr. COOTE: In negotiating the trade agreements was the matter kept in mind of trying to protect the trade we now enjoy with countries with which we have trade treaties? It seems to me that that is very important, and I should like to know whether care was taken not to interfere unduly with our trade with these other countries.

Mr. RHODES: There is an old maxim that you cannot make an omelet without breaking eggs, and you cannot enter into trade agreements designed to divert trade into empire channels without, to a certain extent, taking it away from other channels. In negotiating this agreement there was no desire to injure the trade of any country with which we have friendly trade relations, but if the incidents of the treaty is to take away a certain amount of business from other countries, it is simply the result of the agreement and it cannot be helped.

Mr. COOTE: Was any care taken to divert trade from countries which have a favourable trade balance against Canada rather than from countries compared with which we have a favourable trade balance?