

Mr. WHITE: It was formerly 25 per cent under the general tariff; British preferential 17½ per cent.

Mr. OLIVER: Is this a reduction?

Mr. WHITE: Yes.

Mr. LOGGIE: The item I want to call particular attention to is 83 of the tariff, and I suppose ordinarily it would come in here.

Mr. WHITE: I have no objection to my hon. friend dealing with that now.

Mr. LOGGIE: Mr. Chairman, I have a matter to bring before the committee which I think is very important to the whole population of Canada. It primarily refers to the basic industry of Canada, agriculture, and I should be glad if the minister would consider that I present this resolution not from a party standpoint. I desire the minister to consider it on its merits, and waive, for the time being, consideration of the fact that I am on this side of the House, while he occupies a seat on the right of the Speaker. I admit that in my arguments there may be some remarks that will be considered of a partisan character, but the resolution itself I think ought to be received by every hon. member not from a party standpoint. The resolution I intend to move involves the admission into Canada free of duty of potatoes, the growth and production of the United States. In this connection I would refer to the remark of the minister in his Budget speech. Speaking of the increased exportation from Canada during the last few months of last year, he said:

I think the increase is due, in large measure, to the Underwood tariff, which has placed live stock, dairy and certain other farm products, fish and manufactures of lumber, and other natural and manufactured products of Canada upon the free list.

I assume that the minister, in using these words, led members of the House to believe that it was his opinion that the increased sale of these commodities in the United States markets inured to the benefit of the Canadian producer. If there were no increased prices for these commodities during these months after the Underwood tariff went into effect, I ask, why should there be an increase of exportation? If the value was not enhanced by the duty remitted by the United States on the commodity we have to sell, why did the increased exportation take place at that particular time?

[Mr. Oliver.]

If it can be demonstrated that the United States consumer received the benefit of the reduction of the duty upon articles going into the United States, why would the exports be increased at that particular time? I propose to demonstrate to the committee that the enhanced value inured to the Canadian producer; just as soon as the United States tariff was taken off, because of the increased value, his exports found market across the line.

Mr. BRADBURY: Where did the increase come from?

Mr. LOGGIE: It came from Canada. Canada had the goods to sell and Canada got a better price for them; as soon as the increased value came about, the goods were placed upon the market. Perhaps I should first of all demonstrate, if I can, how the duty affects the prices of the products of the Canadian people, especially commodities that have no world market value. I think we are all united in the principle that any tax imposed upon an article will increase the cost of that article to the extent of the amount of the tax, and that the consumer pays the increased cost. Suppose a New York merchant wants to buy a case of clothing in Huddersfield at a cost of £100, or \$500. On that case of clothing there is 50 per cent duty, so that the cost, including duty, would be \$750. To that amount we may reasonably add 20 per cent wholesaler's profit, which would bring the amount up to \$900, and to that we may add the retail man's profit, bringing the amount up to \$1,350. All hon. gentlemen will admit that not only the duty but the profit on the investment of the amount of the duty must be paid by the consumer.

Mr. BURNHAM: How would it be if the profit were made on this side of the line?

Mr. LOGGIE: The same thing would be true on this side of the line. Of course, there are exceptions to the rule; I will come to that later. I am now endeavouring to establish the principle that the country that imposes the duty taxes its consumers just to that extent.

Mr. BURNHAM: Is the American consumer affected in that way?

Mr. LOGGIE: I have endeavoured to show the committee that in the illustration which I have given the consumer is affected by having to pay not only the