

thoroughly cognizant not only of the matter of poundage but as to the imports of commodities covered by this agreement.

Mr. YOUNG: Perhaps so, but the people of Canada were not so enlightened. When we saw from the trade returns reported that our trade had shrunk to \$570,000,000, we thought that that was the actual state of affairs, but we find it has shrunk to away below that. Apparently the Netherlands has not been raising tariffs against us, but now we are raising tariffs against the Netherlands. Are they any different from us? Will they not retaliate by raising their tariffs against us? I would ask the minister what our trade, imports and exports, was with the Netherlands last year.

Mr. POULIOT: In the meantime may I express a view on the matter and make a suggestion to the government? I shall not make it to my hon. friend the Minister of Trade and Commerce nor to my hon. friend the Minister of Finance, but through Hansard to the Prime Minister himself. Does England grow cocoanuts? No. The cocoanuts come from Java, a possession of the Netherlands south of Asia. Cocoanuts also come from Sumatra and other islands in the tropics. The nuts are imported into Holland and are there converted into cocoa butter. The cocoa butter is exported from Holland to Great Britain, and then re-exported to Canada, and under this agreement this cocoa butter coming originally from Holland will enter Canada under the British preference as a re-export from England. I am sure that hon. gentlemen opposite are familiar with the English trade figures and know very well that during the year 1921 England's re-exports amounted to £64,000,000. So under this agreement no duty will be imposed on cocoa butter shipped from Holland and re-exported to Canada such as is imposed on the foreign product. In other words, it will be accorded the British preference although it will really be coming in as a semi-smuggled commodity.

And now, having made my preliminary, may I suggest this to the right hon. the Prime Minister? He has been blessed with those earthly goods which the farmers and the unemployed do not enjoy at the present time. May I suggest to him that a good way in which he could help this country would be to start a new trade in Canada in competition with Holland? Let him import cocoanuts from Java and have them converted, in an appendage to the Eddy Company in Hull, into cocoa butter so that instead of converting wood into matches that company will be turning cocoanuts into cocoa butter.

[Mr. Rhodes.]

Mr. STEVENS: I am sure that we have all been entertained by the humorous remarks of my hon. friend. I was asked for our trade with the Netherlands. Our imports from the Netherlands in 1931 were \$7,287,000, and in 1932, \$5,827,000; and our exports to the Netherlands in 1931 were \$10,477,000, and in 1932, \$13,502,000. May I say to the hon. member for Temiscouata, who has been having a most interesting joke all to himself, and has shared it in part with hon. members on this side of the house, that there is not much danger of that which he has in mind happening, because goods the product of foreign countries, if they are to secure the British preference in Canada, must have a certain proportion of British Empire content. I believe they must have 50 per cent empire content. The increase in duty is comparatively small when the article is translated into the use to which it is usually put, namely for use in confectionery. The actual application of the three cent rate as opposed to the two cent rate will make no serious difference, but it will have the tendency of diverting trade to British Empire concerns.

Mr. YOUNG: The minister has told us that in the year ending March, 1932, we sold to the Netherlands goods valued at about \$15,000,000, and purchased from them only about \$5,000,000 worth. In that instance trade was almost three to one in our favour. In this one item alone he slaps at that trade, and is going to reduce the \$5,000,000 worth of trade with Holland by two-thirds of a million dollars. I ask the committee, Mr. Chairman, if that is in the interests of Canadian trade? I ask this question: Is there not likely to be a reaction on the part of the Netherlands to a course of that kind? I ask the Minister of Trade and Commerce how much wheat we sold to Holland, and whether or not this agreement is going to affect our sale of wheat in the future?

The CHAIRMAN: Shall the article carry?

Mr. YOUNG: No, it does not carry.

Mr. COOTE: While the minister is getting the information I should like to ask whether or not we have a trade agreement with the Netherlands, and if under that agreement the Netherlands enjoy the benefit of the intermediate tariff?

Mr. STEVENS: We have a trade agreement with the Netherlands through what is known as a most favoured nation treaty. They enjoy the intermediate rate. The hon. mem-