

tion with the report that was sent in on the 26th of last month by the representative of the Department of National Revenue, there can really be no criticism of the Minister of Finance in that regard. That report, quite naturally, was sent by an officer of the Department of National Revenue to the Department of National Revenue itself. It required considerable examination, and when the Minister of Finance made that statement he had not seen that report.

Mr. ADSHEAD: In connection with the cotton industry, will not the regulation with reference to the British preference have this effect. If a low class of cotton does not come up to the 50 per cent requirement, will not the effect be to increase the importations into this country of a higher class of cotton on which a great deal more labour has been done? In other words, instead of getting a low class cotton, shall we not get a higher class on which more labour has been expended?

Mr. EULER: I cannot say definitely how it will work out, but I think in Canada we use high class goods in any event.

Mr. CAHAN: Can we make cottons in Canada as cheaply as they sell in Great Britain?

Mr. EULER: I would be very glad indeed if all these goods were made in this country. The point I want to make is this: There can be no real cooperation such as ought to exist between the various parts of the empire unless all parts of the empire cooperate. For my part I should think that wherever it is possible for the British manufacturer to buy his raw materials in Canada—we are interested in Canada primarily—we should see to it that he does so, or at least that he buys them in some portion of the empire before he can take advantage of the preference. But if he prefers to buy his goods in the way of raw materials in some other country, that does not prevent him exporting his goods to Canada, only he will be under the handicap of having to pass a little higher customs barrier. For my part—I am perhaps speaking only for myself—I would say that if a manufacturer in Great Britain, with whom we want to do as much business as possible, buys his goods in a foreign country when he could have purchased them in some part of the British Empire, he has no complaint whatever if he does not get the benefit of the British preference if his goods do not come up to the requirement of at least 50 per cent Canadian content. We should expect to get some business from those from whom we buy.

Finally I would say that the question is not settled. We are just beginning; we are making our investigations. We appreciate the desire of the British manufacturer to have just as soon as possible some sort of certainty with regard to the whole matter. There has been some delay, and I have given the reason for it, the fact that our officer on the other side has resigned. That will be corrected just as soon as possible, and in the meantime I think I am right when I say that the protests and complaints which have been made have been made only pending investigation. The matter is still open, and if we find upon investigation that adjustments should be made, they will be taken into consideration.

Mr. CAMPBELL: I would ask the minister if Major Wilmot's report will be made available to the members?

Mr. EULER: Reports of that nature are confidential.

Mr. D. M. KENNEDY (Peace River): A short time ago we had a budget debate, and I am not going to refer to it beyond making that statement.

In all matters respecting changes in the tariff, whether in connection with the British preference, the general tariff or the intermediate tariff, I have been under the impression that it was understood that the matter would first be investigated by the tariff board, and that then the government would act. That procedure has not been followed in this case. The Minister of National Revenue tonight says: We are going to investigate, and it is unreasonable for members sitting in that corner of the house to ask the government to move in changing the present position of the British preference until the government has investigated the matter. So the position of the government really is this: We will not reduce the British preference without an investigation but we will increase it without an investigation. Now if it is necessary to investigate in one case, it ought to be necessary in the other. This is a case where the government has definitely moved in the opposite direction from its pledges to the country, without investigation, and it is rather striking that the minister who gets up to explain the position of the government tonight is the minister that did not make any statement at all about the matter last year when the government was appealing for support and particularly appealing to the house to vote against the amendment moved in this corner of the house in connection with the British preference. The Minister of National Revenue (Mr. Euler) is a well-