

*Customs Tariff*

between some of the provinces in connection with the shipment of chicks and it would hardly be fair to let them come in from the United States more easily than they could be brought in from another province. I believe this duty of four cents per chick meets with the approval of the chick hatcheries of Canada.

Item agreed to.

Customs tariff—16. Eggs in the shell, per dozen: British preferential tariff, 2 cents; intermediate tariff, 5 cents; general tariff, 10 cents.

Provided that, if any foreign country imposes on such goods the produce of the Dominion of Canada duties or charges more onerous than are prescribed by this item, duties equivalent thereto shall be imposed on the like goods imported into Canada from such country.

Mr. BENNETT: There are two questions I wish to ask in connection with this item. How are you going to impose the new duty—by order in council? Will this be taken as sufficient warrant for collecting a higher duty?

Mr. DUNNING: It is administrative, yes.

Mr. BENNETT: There is a rather important proviso:

Provided that, if any foreign country imposes on such goods the produce of the Dominion of Canada duties or charges more onerous than are prescribed by this item, duties equivalent thereto shall be imposed on the like goods imported into Canada from such country.

Mr. DUNNING: Yes.

Mr. BENNETT: That means that some action must be taken by someone so to do. I should think that would mean by parliament when no provision is made as to who is to take the action. When you say that additional duties shall be imposed, normally that means by parliament, unless you say that they are to be imposed by the governor in council. That is my first observation.

Second, I still think that a countervailing duty is a very dangerous thing to apply in a country such as Canada, having regard to our proximity to the United States. My first connection with countervailing duties arose from the export of coal from Lethbridge to Oregon and Washington. It will be recalled that the Americans provided in their tariff that if any country imposed upon coal from their country a duty which was higher than the American duty, then there should be corresponding increases in the American duty. We found ourselves excluded from that market by reason of the fact that we had put a duty on American coal in excess of the American duty on our coal. This is the difficulty, as I see it, in imposing countervailing duties in [Mr. Wood.]

connection with a country like the United States. They have a population of perhaps 130,000,000, whereas we have a population of only 11,000,000 at the most. We say that we have made up our minds as to what duty we shall place on some commodities, and we apply that duty. Then they have a duty which is not the same as ours. We say to them that if they impose upon goods from Canada charges more onerous than are prescribed by Canada, duties equivalent thereto shall be imposed upon the like goods imported into Canada from such country. Is that likely to have any effect upon them? From what we know of the conduct of their fiscal policy in years gone by can we say that it will not have some effect? I think it would have been better if the minister had taken a direct instead of an indirect course and provided a duty on eggs similar to the duty now prevailing in the United States on eggs from Canada. Otherwise we are going to have a separate tariff with respect to every country from which we might possibly import eggs. To take a direct course and provide for a British preferential, an intermediate and a general rate, possibly with the intermediate at ten cents, would have been the most simple way of dealing with the matter. In order to get over that, knowing that congress is not going to deal with tariffs this year, the president having so stated, we must at once impose by some method the higher duty upon eggs. This provision as it reads says, "shall be imposed." What is the length of time that you give them to think about it?

Mr. ILSLEY: We are treating it as almost meaning collect.

Mr. CAHAN: Then say so.

Mr. BENNETT: That is a very, very different thing. As it reads, it says "such goods the produce of the Dominion of Canada." Then you cannot put in "shall be collected," because that is permitting another country to make your tariff for you. In other words, when a collector has to impose his rate he has immediately to look at the tariff of the United States in order to collect his tax. There has been no imposition, and an imposition is necessary to found a tax. This is not an imposition. It says "shall be imposed." That means that some authority must impose it. I took it to mean the governor in council, which I think would be the proper authority to deal with the matter. It would be an anomalous situation, would it not, if you put yourself into the position of