

There is a large "invisible bounty" on all exports of goods from Great Britain to Canada owing to the purchasing power parity of the British pound to the Canadian dollar, and the rate of exchange. This amounts to practically the difference between the par value and the exchange value of sterling. Duties levied on goods from Great Britain imported into Canada are diminished by this amount. There are no tariff regulations compensating for this "invisible bounty". It is a factor in addition to other advantages for producers abroad, such as lower wages, overhead, and so forth.

Goods partially manufactured in continental countries by much cheaper labour than can be had in England, may be shipped into Canada under the British preferential rate. As an example, goods made in Great Britain can be sent to France to be dyed and finished. In this connection, they pointed out that Australia, New Zealand, the Union of South Africa and the Bahamas have the following clause in their regulations, which prohibits such shipments to these countries under their British preferential tariffs:

In the case of goods which have at some stage entered into the commerce of or undergone process of manufacture in a foreign country, only that labour and material which is expended on or added to the goods after their return to the United Kingdom shall be regarded as the produce or manufacture of the United Kingdom in calculating the proportion of United Kingdom labour and material in the factory or works cost of the finished article.

While they dealt in detail with the question of imports from Great Britain, many of the same points were applied to continental countries, especially France, which owing to the fact that the invoices are valued at the exchange rates and the "purchasing power parity" of the franc is much higher than the exchange value, is rapidly increasing its exports to Canada, to the detriment of our home industries.

In the circumstances, I believe it to be in the national interest to restore the tariff on woollen and knitted goods to at least the rates effective under the Fielding tariff of 1906-7. And particularly for the purpose of preventing commercial dumping now carried on to an extent that is devastating this Canadian industry as a result of depreciated currencies in Great Britain and on the continent, it is necessary that the dumping clause be amended so as to apply the dumping duty to safeguard against such depreciated currencies.

Surveying the government figures for last year of imports in competition with the cotton, silk and linen mills, as well as our woollen and knitting mills, we find that \$14.40 worth of manufactured textile pro-

ducts for each man, woman and child in Canada was imported from abroad during 12 months. The total is \$112,444,724. The bulk of these goods could be produced in Canada and as their value, outside of the cost of the original raw material, is all labour, the direct and indirect wages lost to the country amounts to almost the value of the imports. The reason why the bulk of these goods was not made here is that the customs duties are so low that the low-paid workers in Great Britain and continental Europe have an advantage in our home market over the better-paid workers in Canada. The wage scale in Canada is determined by the wage scale paid in the United States. Goods partially or completely manufactured by workers in European countries can be shipped into Canada from Great Britain under the British preference. Also there is no compensation given in the administration of the customs duties for the effect of depreciated currencies on goods from Great Britain, France, Belgium and Italy. To give an example, a paper pound will buy in England to-day just as much as a gold pound, but goods from Great Britain are valued for duty purposes at the exchange value of the paper pound as compared to the Canadian dollar. The effect is to actually lower the already too-low duties.

I have here the text of a letter addressed to the Prime Minister by workers in the Canadian textile mills which I desire to have placed on Hansard. I shall not weary the House by reading the communication, but with the permission of hon. gentlemen it will be inserted in the record:

[The communication handed in is as follows:

To the Right Hon. W. L. MACKENZIE KING,
Prime Minister of Canada,
Ottawa.

Sir:

Great numbers of men and women in Canadian textile mills are being laid off and more are being put on part time. Some mills are shut down. Because of this, many Canadians have to leave their homes and go to the United States.

This is caused by the \$112,000,000 worth of manufactured textile goods made by workers abroad which were sent into Canada last year because our customs duties are too low.

If these goods had been made in Canada, the wages would have been paid to the workers in the Canadian textile mills instead of to men and women in Germany, France, Great Britain, the United States and elsewhere.

Every spinner, every weaver, every knitter, in our Canadian mills would be employed full time and overtime, and the "Help Wanted" sign would be hung out if the wages for making these imported goods went into the pay envelopes of Canadians.

Take only a few items of the goods which came in last year and see what they would mean in work and wages if made in Canada: