

Mr. KENNEDY: Why was the investigation not made before the change was made in the preference?

Mr. EULER: I will come to that.

Mr. KENNEDY: That is the point.

Mr. EULER: I will try to present it to my hon. friend in a moment. As I was saying, if the price of raw cotton is 10½ pence per pound, all dried and finished piece goods can qualify. I think the price is lower than that at present. Grey cottons come very close to the 50 per cent requirement, and many already qualify. Cotton yarns, coarse, may not qualify, but we have not yet sufficient information to reach any decision.

With regard to copper, our investigation has not yet been completed, but in the course of a year or so the British manufacturer should make no complaint if he does not get the benefit of the British preference by reason of the fact that he does not buy his refined copper in the British Empire, because within a year or not more than two years there will be refined in Canada all the copper that will be necessary for manufacture in Great Britain.

With regard to chemicals the criticism does not seem to be very important for the reason that many chemicals are already on the free list and cannot be affected by the 50 per cent requirement, and in the case of commodities affected, the difference is very small, almost negligible. The difference between the British preference of 15 per cent and the general tariff of 17½ per cent is only 2½ per cent. Linseed oil is mentioned in the list about which some complaint has been made. It is quite possible to buy linseed or flaxseed in the Dominion of Canada. I want to point out that the whole arrangement ought to be reciprocal and I think it ought to appeal to the good sense of the house, that if this provision is intended for the benefit of the empire, Canada itself, being a part of the empire, certainly ought to expect to derive some benefit from it as regards purchases of raw materials from this country. Let me give some of the reports received from certain cities and districts. Belfast states that linen goods will not be affected. Dewsbury, in which many textiles are manufactured, states that they are not affected. The south of Scotland states that their products would not be affected even if the percentage were to be raised considerably. Leeds states that there are no instances in which local industries will be hampered.

When we have placed the legislation on the statute books and have applied the regula-

[Mr. Euler.]

tion, surely we are not going to call it a dead letter from the outset just because we have a few complaints from some interested parties. I am finding no fault with those business men in Great Britain who feel that they may not be quite free to purchase their raw materials outside the limits of the empire. When Sir William Clark made his representations, we said that we had an open mind on the question whether it was desirable in the interest of the Canadian consumer or in the national interest that we should make an exception with regard to, let us say, cotton, copper or any other material, but we were not ready at the very outset, before giving the new regulation a trial, practically to wipe it out. We said: We want to give it a trial and make investigations before we make any changes. As a result of that, the representative of the Department of National Revenue in Great Britain, Major Wilmot, was instructed to make investigations whenever a complaint was lodged. Unfortunately, Major Wilmot, very shortly after the instructions were issued to him, resigned his position and returned to Canada, but he had some opportunity to make investigations and he presented what we must term an interim report, which is certainly not complete.

Mr. CAHAN: In the investigation made, did the department ascertain what percentage of empire cotton is available for British manufacture as compared with the whole which, I understand, largely comes from the United States?

Mr. EULER: I am afraid I cannot give the hon. gentleman definite information with regard to that, but the British representative was very clear on the point that, as regards many cotton manufactures, they must purchase the kind necessary from the United States. Just what percentage of their total output that would comprise, I am not in a position to say. We are, however, now sending another man and perhaps two men to England to make investigations as they are required. I might also say that the representative we had there, Major Wilmot, had considerable difficulty in making those investigations. For example, I understand he asked certain manufacturers who were complaining, to come to a gathering, to bring with them their costs, and I think in only one instance did the manufacturers do so. Surely it is not unfair for us to expect them to show what their costs are if they expect consideration of their claim with regard to the British preference.

With regard to the criticism made of the Minister of Finance (Mr. Robb) in connec-