

were imported, to the value of \$90,000; in 1932, 24,000 valued at \$7,000; in 1933, 5,400 valued at \$1,600; in 1934, 3,200 valued at \$875, and in 1935, 2,900 valued at \$560.

Mr. BENNETT: They are used in the production of what are known as broilers?

Mr. DUNNING: Yes.

Mr. STIRLING: What is the effect of the change? Does it maintain the tariff at about the same rate?

Mr. ILSLEY: Perhaps I could answer that question. In the last three or four years the special value placed on baby chicks has operated almost as an embargo, because there was a thirty cent value on an article worth five cents or ten cents. The dumping duty was so high it was impossible to import them. When the trade agreement was made with the United States the value for duty purposes was cancelled and, if I remember correctly, the duty on baby chicks became  $17\frac{1}{2}$  per cent.

Mr. STIRLING: That is correct.

Mr. ILSLEY: That is a very low rate. The other rate was prohibitively high, but on the other hand  $17\frac{1}{2}$  per cent is very low, and is difficult to calculate.

Mr. BENNETT: What is the average invoice price on those?

Mr. REID: Ten cents.

Mr. ILSLEY: It varies.

Mr. BENNETT: I believe at one time they were down to five and six cents.

Mr. ILSLEY: I would have said ten cents but one of the officers says about fifteen cents.

Mr. BARBER: They are selling at five cents in California.

Mr. ILSLEY: This duty of four cents per chick is reasonably high or reasonably low, depending upon how you look at it.

Mr. BARBER: What protection was provided last year?

Mr. ILSLEY: I can figure that out for the hon. gentleman.

Mr. STIRLING: Is it  $17\frac{1}{2}$  per cent of thirty cents?

Mr. ILSLEY: We will follow that through.

Mr. DUNNING: There was a dumping duty.

Mr. ILSLEY: Last year, each chick would be valued at thirty cents. Then the tariff would be reckoned on the—

Mr. BENNETT: Five and one-quarter cents.

Mr. ILSLEY: The tariff rate would be reckoned on the thirty cents, the value for duty purposes. We have that, but that would be only the start of the amount. You would subtract the invoice price from the value for duty purposes. If the invoice price was ten cents, that would be twenty cents. You could not charge the whole twenty cents because that would be more than fifty per cent of the thirty cents. You could charge only fifteen cents of that.

Mr. BENNETT: You could only charge ten cents. The difference between thirty and ten is twenty, and fifty per cent of twenty would be ten.

Mr. ILSLEY: It is fifty per cent of the value for duty purposes, which, I think, is thirty cents. Therefore, the dumping duty would be fifteen cents plus  $5\frac{1}{4}$  cents, or  $20\frac{1}{4}$  cents. That would be the effective rate on the ten cent article, which would be a little over 200 per cent. In addition, there would be the three per cent import excise tax on the duty paid value, whatever it is by this time, and the six per cent sales tax, if it is not on the exempted list, and I do not believe it is. They would all have to be added and would increase the protection to that extent. I think it would bring it up to between 200 and 300 per cent. Last year we went down to  $17\frac{1}{2}$  per cent and now it is made four cents per chick, which is about forty per cent on a ten cent chick.

Mr. WOOD: I think the government are to be congratulated upon the very fair attitude they have taken with regard to baby chicks. It is not altogether a matter of protection or tariff for revenue; there is the question of the health of our flocks to be considered. If chicks were allowed to come in too freely they would be brought in from sections of the United States where the health of the flocks is not guarded. We have in Canada flocks equally as good as those in the United States; in fact I think this is characteristic of all our live stock. On the average I think our live stock in Canada is better than that in the United States. A four cent duty is fair and it will permit chicks to be brought in from special flocks when extra stock is needed. It must not be forgotten that there are certain prohibitive arrangements