

Mr. RHODES: While I am on my feet, may I say that the right hon. gentleman, in making some observations with respect to these agreements, made his strongest objection to the circumstance that in many of the items the intermediate tariff had been placed upon a parity with the general, and therefore impeded our bargaining power with other countries with respect to the items in question. I have only this to say to my right hon. friend, whether his argument be sound or not, he was unfortunate in broaching it at the moment when we are going to consider the schedule item by item, because the very first item in the schedule is cocoa butter, and with respect to that item, the duties on the intermediate and general tariffs have been precisely the same for a number of years and through several revisions under his leadership. If, therefore, it be sound policy to have the intermediate and general tariffs on the same level with respect to cocoa butter, the argument applies with equal force to other items in the schedule. I have only this observation to make, that my right hon. friend would have been well advised to have waited until we had passed this item and come to some other item which had received from us different treatment from that given by my right hon. friend.

The CHAIRMAN: Then we shall deal with the schedule item by item.

Schedule E—Canada.

Customs tariff—20a. Butter produced from the cocoa bean, per pound: British preferential tariff, free; intermediate tariff, 3 cents; general tariff, 3 cents.

Mr. DONNELLY: From what countries do we import cocoa butter? Is any manufactured in Canada? How much comes from the United States and how much from the United Kingdom? Is this some preferred trade or will some Canadian industry be assisted?

Mr. RHODES: For the fiscal year ended March 31, 1932, we imported 4,400,000 pounds of cocoa butter worth \$654,000, of which \$618,000 worth came from the Netherlands, \$14,000 worth from the United States and \$10,000 worth from the United Kingdom.

Mr. YOUNG: Canadian production?

Mr. RHODES: Production in Canada in 1930 amounted to 1,500,000 pounds worth \$329,000.

Mr. YOUNG: I notice that the average price of the importations from Britain is about twenty cents a pound, and from other countries, about fifteen cents a pound. I presume that is due to the difference in exchange. These are the values for duty.

[Mr. Lapointe.]

Mr. RHODES: I have before me no statistics as to the cost of an individual pound. I take it my hon. friend has used his pencil and divided the cost by the number of pounds.

Mr. YOUNG: Yes.

Mr. RHODES: My hon. friend must bear in mind that cocoa butter, like many other commodities, has varying degrees and qualities, so that one would not be safe in making a computation of that character and putting the proper price per pound on the highest grade of cocoa butter.

Mr. YOUNG: Will the minister say that the value of imports from Great Britain as stated, are the values for duty as fixed by our customs department? He says that we received \$10,000 worth from Great Britain.

Mr. RHODES: That would be the value for duty.

Mr. YOUNG: That is to say, for customs purposes the pound is valued at \$4.86 $\frac{2}{3}$ , and when we say we import \$10,000 worth, we are importing \$10,000 worth figuring the pound at \$4.86 $\frac{2}{3}$ , while actually it is worth between \$3 and \$4. Therefore, as a matter of fact this \$10,000 worth reported as being what we get from Great Britain greatly overestimates the amount we actually get from that country.

Mr. RHODES: The figures do not segregate the total poundage and allocate them to the different countries. I gave merely the total imports and the value was allocated to the different countries.

Mr. YOUNG: The point I want to make is this: When the government say that they imported so many thousand dollars' worth of goods of a certain kind from Great Britain, how do they arrive at that valuation? Is that not the value for duty as reported to the customs officials, on which value duty is collected?

Mr. RHODES: The figures given in the quarterly report of the Trade of Canada indicated that the importations from Britain during that year were 47,045 pounds.

Mr. YOUNG: That does not answer my question. An importation of 47,045 pounds valued at \$9,774 brings the price to almost twenty cents per pound, but I find that the price from other countries amounts to only fifteen cents per pound. I want to know whether that discrepancy is not accounted for in this way: in reporting the quantity we get from Great Britain, you call a pound \$4.86 $\frac{2}{3}$ , and that is the way in which you arrive at the figure \$9,774. That is correct, is it not?