

DISCUSSION ON HIS MAJESTY'S GOVERNMENT'S PREFERENCE PROPOSALS.

The Chairman : Certainly. That meets Mr. Burton's point. Certain proposals I can make now, and we can go into those. We can follow on with the second point you want to raise about preference in public contracts which the Chancellor is prepared to deal with from our side as soon as we are ready to get on with it. We are generally agreed as to our principle.

Mr. Massey : Yes ; personally I do not see any objection to what is proposed, referring this to a Committee, on which, of course, members of the Conference would be well represented. I am not thinking of members of the Department only.

The Chairman : Quite.

Canada's Attitude.

Mr. Graham : Mr. Chairman, as you rightly remarked some time ago, we have never approached the question of preference in any kind of bargaining spirit. To my mind, the proposals you have made must have been decided by your Government as the ones you should make in the interests of all concerned. So far as Canada's representation is concerned they are not to criticize your propositions. They are your propositions made by the British Government on behalf of the British people. We placed our preference on the statute-book in 1897, increasing it gradually until in some cases it reaches over 50 per cent., and I am bound to say that that was not altogether the result of an altruistic motive to help the British Empire ; it was to help the Canadian people. We believe that it is your function to do things to help your people, and if it helps the British Empire at large so much the better for the British Empire. I think it would be out of place altogether for me, as a representative of Canada, or my colleague, to attempt for a moment to dictate what the British Empire should do in the way of its tariff. It is dangerous ground ; it is your business. We are willing to accept what you give us, and so far as you wish to go we will not stop you. But to attempt to drive you along faster than you feel it is in the interests of your own people to go I think would be altogether out of place so far as we are concerned.

Peculiar Economic Position of Canada.

Canada is in a peculiar position—perhaps I might refer to that for a moment—in that it differs, I think, from the other Dominions. Our Dominion is industrial as well as agricultural. You would be surprised to know that our exports in 1921 of manufactured and partly manufactured goods exceeded the exports of agricultural products by a large amount ; so that we are in a little different position from that in which the other Dominions find themselves, in that their products are largely agricultural.

Inter-Dominion Preferences.

I look to a time when we will have our preference extended among the Dominions themselves as well as with the Mother-country. We have recently done something that was not popular in Canada : we have raised the duty of a certain product that Australia produces in the hope of developing trade with Australia and of having a reciprocal arrangement by which we will be able to sell them a greater quantity of goods and we will take certain products from them in preference to products of the same kind from other countries. But each Dominion finds its own difficulties just as you do, and we have to go along slowly and feel our way and extend the preference as rapidly as we can.

Economic Relations with United States.

It must be remembered that we lie beside a great nation, as I said the other day, and notwithstanding what sentiment we may have—and we would all prefer the trade with Great Britain—the fact remains that we are beside this great country, and they buy from us, and we buy from them, and that fact has to be considered in any steps we may take. Recently, of course, our United States friends raised their tariff, but we are not going with our heads down about it. I admit frankly that the increasing of that tariff has injured us, but the British Government has met us in a measure in raising the embargo on cattle. I hope we will be able to get other difficulties straightened out, and our export trade of cattle to Great Britain is now beginning to thrive again, of course.

Obstacles to Importation of British Fabric Goods.

I wanted to bring a thing to the attention of the Conference which perhaps is not germane, but yet it may be. The question is rightly asked, Why do we not import a greater amount of fabric goods from Great Britain ? Now, here is one of the difficulties that one of our leading clothing-manufacturers brought to my attention before I came away. They are not, in the present state of the market for the purchase of their raw material, in a position to stock up as heavily as they would do under normal conditions, for the sole reason that the market may break at any time and leave them in the lurch, as they were after the war, having their shelves filled with high-priced goods, while the market had gone down. As a consequence they are compelled always to buy in small quantities and turn over rapidly. Now, perhaps your manufacturers will not be adverse to me saying it takes about six weeks, so this manufacturer of clothing told me, to get an order filled in London or Liverpool before the goods are returned. They might as well never come to our manufacturer at all as to take six weeks. He has an order, and he can in twenty-four hours have his goods on the way from the United States in just the quantity he requires. Consequently it must be purchased in the United States or he will lose his order.

A suggestion has been made which will not help Great Britain out, though it will help the manufacturer out, that it would be wise if some of our friends in the British Isles would establish branches