

in Canada by which this difficulty could be overcome. This gentleman, who is president of the association of manufacturers of this kind of goods, assured me that that association would much prefer to buy British goods, as they believe the quality is better, and they would rather deal with our people if they possibly can. He made an alternative proposition, and that was that British manufacturers might well establish warehouses in Canada and carry a stock of the goods that our manufacturers require so that they could secure them at short notice. I do not know whether that would appeal to the manufacturers or not, but that is just a detail of trade, and the situation which geography compels rather than which sentiment dictates.

Rebates on Re-exported Raw Materials.

I was speaking of manufactured goods a moment ago to show the amount of manufactured goods which is produced in Canada which makes us somewhat different from our sister Dominions. In the year 1920, the last complete figures I have, the value of goods manufactured in Canada was over three and a half billions, which for nine million people is a somewhat large expenditure. Now, for export trade Canada allows on the raw material which enters into the manufacture of these goods a rebate of 99 per cent., so that, as one of the delegates said this morning—I think it was Mr. Bruce—there is an instance of where the purchaser who is not a resident in Canada has an advantage over the Canadian resident because, in fact, the Canadian resident does not get the rebate of 99 per cent. on the raw material.

At the recent session of Parliament, as you well know, an Act was passed, which I will not glorify, in reference to the purchasing of goods from countries with a depreciated currency. The Act merely recites that when there is any discussion or question as to the value of these goods for duty they shall be valued as if they had been manufactured in Great Britain, so that, so far as duty is concerned, it gives them no advantage over the British manufacturers, as they have to pay the duty equal to the cost of the manufacture of similar goods in Great Britain.

I do not know that I can say anything further as to the Committee. I am not in favour of Royal Commissions except to do things that we do not want to do or cannot very well do ourselves, but in regard to this question of the tariff I want to repeat what I said before, this is the proposition made by the British Government, this is the best proposition they can make. I am bound to say that it will help some of the other Dominions more than Canada, but it will help the Empire; and it must not be considered that it is really missionary work among the Dominions, because the first thing the British Government must look after, as the first thing that the Dominion Governments would look after, is the interest of their own people, and, as far as Canada is concerned, we are glad to accept that proposition without any discussion. If the British Government desire to enlarge it that might help us, but it is their business primarily and not ours. After all, trade is developed on sentiment to a certain extent, and I can assure you that the Canadian people, if they can, on equal terms, would prefer to buy British goods rather than American goods. The feeling at the present time is that our friends across the line, and these are really the only neighbours that we have in trade in close proximity, have raised the bar so high that though the action may be aimed at us it will injure them to a certain extent and eventually they will probably reduce these duties. But that is their business again and not ours. In the meantime we should like to develop wider trade in every respect with our relatives within the Empire, in all parts of it, but for practical purposes, as it is your duty to look after the interests of your people, we are compelled at every step to keep in view, as the paramount question, the interests of the people of the Dominion of Canada.

Australia welcomes His Majesty's Government's Proposals.

Mr. Bruce: I am sorry I was not here when you made your pronouncement, but, as I remarked before, I need hardly say, as far as Australia is concerned, we are very much gratified that the British Government have seen their way to take the action which they have taken. I entirely associate myself with the representative of Canada in that it is certainly none of our business what you do in regard to your own tariff, and it certainly would be quite improper for me in any way to press you to do anything more than you possibly can in the interests of your own people. I confess some slight regrets in regard to currants, but, as I have said, I will behave in the way that I should.

The Chairman: Let us be clear about the currants. My proposal in regard to currants was immediately to put the Empire on the free list and then to discuss with you at what date you would be in a position to make use of an increased duty if we put it on. I mean I want to thresh that out. We are quite definitely prepared to raise the duty later on to meet the time of development if that is of real value to you. Let me make that quite clear to you.

Mr. Bruce: Under these circumstances, I certainly have nothing more to say with regard to the matter at all, except to again express our very great gratification. I think I can assure you that this will materially revolutionize the whole of the prospects of the settlement scheme that I went into at very great length this morning, and, for our part, we are extremely pleased that the British Government has taken this action. There is one other particular item which is under taxation at present—namely, wine—and I merely ask the question, believe me, in no sense trying to get anything for Australia. Are there any proposals at all with regard to the position of wine?

Position with regard to Australian Wines.

The Chairman: The position with regard to wine is this: The preference at the present moment is a very substantial one. When we were considering the wine question we thought that the preference was already so large there that we should be sacrificing revenue, unnecessarily probably, without giving you substantial benefit by dealing with it. Believe me, in this Conference whether one side or another throws a thing out we accept at once that the ultimate decision with regard to tariffs must