

**Effects of Existing British Preferences on Imperial Production.**

Now, Mr. Bruce gave figures which proved very conclusively the value of the preferences, and the effect of the preferences which the Dominions had created. Even the preference which we have created, and which exists to-day, has had a very marked effect on directing the course of trade and stimulating Imperial production. For instance, in the three years before the war, in cocoa, 48 per cent. of what we consumed came from the Empire; in 1922-23, 93½ per cent. was coming from the Empire. Coffee—you had 21 per cent. before the war, before there was any preference; 35½ per cent. in 1922-23. Sugar, 6·9 per cent. coming from within the Empire in the pre-war years; 22 per cent. of our total imports coming from within the Empire in the last year. For molasses you get somewhat similar figures. Then you get the effect on dried fruits, of which I shall have a good deal to say in a moment. But even with the rate of preference that there is to-day—take currants, practically negligible before the war, 0·4 per cent. of our consumption came from within the Empire; last year 6·5 per cent. Raisins, 2·5 per cent. coming from within the Empire before the war; 16·8 per cent. this year. Raw tobacco 1·4 per cent. before the war; 6·2 per cent. to-day. Then, when you go into the industrial sphere—motor-cars—that is not without its interest to Canada—in 1919-20, when the preference was just starting, just over 1·3 per cent. of the importation coming from within the Empire; last year, 1922-23, 32½ per cent. coming from within the Empire. The same sort of thing you find happening under the industries, which are the subject of Part I of the Safeguarding of Industries Act, essential industries which we had to have for the safety of the Empire in an emergency, and essential to this country also in peace, but made free throughout the Empire. Take things coming in from Canada like cameras and optical lenses: the immediate effect of that free preference was to develop industry, trade, and importations on a considerable scale, thereby bringing new money, new capital, more work, more opportunity, and more settlers into the country.

Well now, take those few figures—I do not want to dilate too much, the field is unlimited—but does not that show the value of the policy—does it not show, without opportunity of contradiction, I think, how sound a policy it is—that wherever in this country we have a duty we should give to the Empire a preference on it, and that we should make that preference as effective as we can?

**Specific Proposals of His Majesty's Government.**

Well, now, I said I would at once, on behalf of the Government, put forward certain specific proposals immediately. We have considered them particularly exactly in the light that Mr. Bruce and Mr. Massey have laid stress upon. The importance of securing to the settlers Mr. Bruce cited the Murray River, but there are other areas also as well as that—a market for all the different kinds of fruit which they produce, and not only that, but the development of all the ancillary industries, canning, and so on, that go with it.

**(1.) Dried Fruits.**

Let me take these specific proposals; let me take dried fruits first. At the present moment dried figs, raisins, and plums—which I believe for some horticultural reason include apricots but exclude peaches—are dutiable at the rate of 10s. 6d. a hundredweight coming from foreign countries, and the Empire receives a preference of one-sixth, which is a preference of 1s. 9d. a hundredweight. What we would propose is that the duty upon the foreign imports should be maintained at 10s. 6d. a hundredweight, and that all Empire products should come in free of duty, entirely free.

**(2.) Currants.**

Then, I want to take the case of currants, which, while subject to duty, are in a different position. At the present time the duty on dried currants is 2s. a hundredweight, and there is a preference of one-sixth in favour of the Dominions—that is, 4d. Now, without any question, we should, of course, be prepared to admit the Empire produce free, but if we did that alone that would mean there was 2s. against the foreigner, and the Empire currants came in free; that would only be a preference of 2s. I think you know what the position is in regard to currants. There is a commercial treaty between this country and Greece, which has in fact been denounced, but is retained subject to three months' notice on either side, under which we are precluded, so long as it is in force, from raising the duty above 2s. On the other hand, if you are satisfied that you are able to produce on a large and adequate scale, and that in order to do that a larger preference is necessary, a larger rate of duty, we should be very ready to consider at a future date raising the rate of the currant duty to some measure which, while admitting Empire produce free, would give you a more effective preference, and to fix here and now, in the course of this Conference, the rate of duty and the date at which that increased duty should be imposed. What I take to be the necessity for you is to know that if your people undertake the growing of these crops there will be an effective preference by the date the crop is ready for shipment, and we should enter into an arrangement that the duty would be put on in time to meet that.

*Mr. Massey:* Do you propose to fix the duty for a specified period—that is to say, for a number of years? Do you intend to attempt anything in that way?

*The Chairman:* I was going to make a proposal on that over sugar; that is a matter which certainly should be open for discussion. We have a specific proposal to make in regard to sugar which I think of exceptional importance, and we should be prepared to discuss it in regard to any of these products. Then, I want to come to the other classes of dried fruits which are not at present subject to duty at all. Our tariff is rather complex and quite illogical in this matter. As I say, some classes of fruits are subject to a duty, some are not subject to duty at all.

**(3.) Other Dried Fruits.**

Now in regard to the other dried fruits—for example, dried apples, dried pears, and dried peaches—which are not subject to any duty, we would propose to take those types of fruit which are of