

reduced also?

Mr. Hickman Not that I know of.

Mr. Smallwood Do you mean they are still paying the same duty on the raw materials?

Mr. Hickman To my knowledge. Here again there is one case brought up in the Committee. Some years ago the question of biscuits was brought up and we discovered that the fancy biscuits brought in here sold for 85 cents a pound. The local people bought them out and the imported ones were reduced to 45 cents a pound immediately. There are certain instances like that that we recommend there be a thorough study on. I think that the sweeping statement you made should be left until the true picture is brought out.

Mr. Smallwood I am trying to bring a plea to have the facts brought out. I don't say the Committee can do it, but I am only pleading that it be done, and let us know where we stand.

Mr. Penney I have served on the Local Industries Board, and I did not intend to have a word to say. I prefer to sit back and listen until the report at least is read; but I have listened to Mr. Smallwood bawling until our eardrums are ready to burst, and if I had my way I would have the microphones fired out of this room today and save the people from having to listen to all this. Local industries made the United States and Canada, and are helping to make Newfoundland; and in the town where I come from they help support a good number of people, and no man should attack them. The tariff question is another matter altogether, and in our report, where we had doubt about the question of tariff we asked the Convention to investigate. Common courtesy would expect members to listen to the whole report before they make any loud attacks on industries as a whole.

Mr. Smallwood I am sorry if I have offended Mr. Penney. I hope that on reflection he will agree that I have not attacked local industries. I have not done so. I have attacked tariff protection of them. In the very fine and historic town from which Mr. Penney comes, Carbonear, they have a very fine industry over there, but it is not protected. It is a magnificent wood industry, and is one of the industries that are natural to the country. The raw material is here and you don't need any tariff protection. Take for instance your paper industry, that is not protected, on the contrary there is a customs duty on many things that

go into it, which are helping to hurt it. They have no protective tariff, but they have to pay duty on the things that go into it. The industry Mr. Penney refers to is not only not protected, but it is hurt because they have to pay duty on some of their raw material. I say take off the duty and give that industry a better chance than it has. I am sorry that I bawled. I can't change my voice any more than Mr. Penney can change the shape of his nose. I can't help it.

Mr. Jackman I believe Mr. Smallwood is advocating free trade.

Mr. Smallwood I am.

Mr. Jackman Would you expect a little country like Newfoundland to take off the duty, when only a few days ago one of our industries is up for a higher tariff? They want to put 50% more on our fish, and you advocate free trade when the United States is advocating a higher rate of duty on our fish going in there?

Mr. Smallwood I hope no one jumps on me, but maybe the cure is along the lines that Mr. Job is suggesting. Maybe we can let their goods come in here duty free and they will let our goods go in there duty free. You might have complete free trade between the USA and Newfoundland. Why not?

Mr. Jackman Where are the employees depending on local industries going to get off? There is also Norway and Sweden and other places competing with us for our fish, and where could we get off?

Mr. Hollett Might I ask the convenor of the Committee, and Mr. Smallwood, whether or not the protective tariff is a thing unknown in any other part of the world, or is it just here? Are there protective tariffs in Canada?

Mr. Hickman Yes, there are...

Mr. Crosbie May I correct Mr. Smallwood? He said there was no duty on lumber coming into this country. There is a duty on lumber coming into this country.

Mr. Smallwood There might as well not be. If there is a local tariff for local lumber it is a pure waste of printer's ink...

Mr. Hollett I agree with Mr. Penney that it is a pity that we started this argument before the thing has been read, however I would refer to the returns of the tobacco and cordage companies, where the totals are grouped as one. Why is that done? I note that these three items pay wages,