

DEPARTMENT OF TRADE AND COMMERCE

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CANADA-WEST INDIES CONFERENCE

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OTTAWA

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## CANADA-WEST INDIES CONFERENCE

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OTTAWA, March 29, 1912.

The delegates from the West Indies met the Canadian representatives to-day and went into conference.

Hon. GEORGE E. FOSTER (Minister of Trade and Commerce for Canada) was elected temporary chairman, and Mr. Payne, temporary secretary, for the purposes of organizing the conference.

The credentials of the delegates were presented and approved as follows:—

Hon. GEORGE EULAS FOSTER, B.A., D.C.L., LL.D., Minister of Trade and Commerce.

Hon. JOHN DOWSLEY REID, M.D., Minister of Customs; and,

Hon. WILLIAM THOMAS WHITE, Minister of Finance; representing the Government of the Dominion of Canada.

HENRY BARCLAY WALCOTT, Collector of Customs, as representative, and ADAM SMITH, as adviser, for Trinidad.

JOHN MCINTOSH REID, Comptroller of Customs, as representative, and CHARLES GUY AUSTIN WYATT, as adviser, for British Guiana.

Dr. WILLIAM KELMAN CHANDLER, LL.D., C.M.G., Master in Chancery, as representative for Barbados; Mr. F. A. C. COLLYMORE, adviser.

EDWARD JOHN CAMERON, C.M.G., representative for St. Lucia.

FRANCIS WILLIAM GRIFFITH, Supervisor of Customs, as representative, and JOHN GREGG WINDSOR HAZELL, as adviser, for St. Vincent.

WILLIAM DOUGLAS AUCHINLECK, Auditor General for the Leeward Islands, as representative, and JOHN JONES COMACHO, as adviser, for Antigua.

THOMAS LAWRENCE ROXBURGH, C.M.G., representative for St. Kitts.

WILLIAM HENRY PORTER, I.S.O., Treasurer, as representative, and JAMES COLIN MCINTYRE, as adviser, for Dominica.

Lt. Col. WILFRID BENNETT DAVIDSON-HOUSTON, C.M.G., representative for Montserrat.

Permanent organization was completed by the election of the Hon. Mr. Foster as chairman, and Mr. T. P. Owens as secretary.

It was decided to hold the several meetings of the conference in camera and to issue through the chairman a summary of the proceedings to the press at the end of each session.

A committee of five members of the conference was appointed to take up the question of steamship communication between Canada and the West Indies, and to report to the conference.

The Committee on Steamships was as follows:—

Mr. F. W. Griffith, St. Vincent, chairman.

Mr. E. J. Cameron, St. Lucia.

Mr. H. B. Walcott, Trinidad.

Hon. Mr. Foster, Canada

Hon. Mr. White, Canada.

A committee of six was appointed to examine into and report upon the cables and telegraphs at present existing and the possible betterment of the same, and to report thereon to the conference. The committee named was:

Mr. C. G. A. Wyatt, British Guiana, chairman.

Mr. A. Smith, Trinidad.

Hon. Mr. White, Canada.

Mr. T. L. Roxburgh, St. Kitts.

Hon. Dr. Reid, Canada.

Mr. F. A. C. Collymore, Barbados.

It was agreed that the discussions at the conference should be confined to the named delegates.

At the opening of the conference, the Hon. Mr. Foster said: I wish to express the pleasure and satisfaction of the Canadian Government in having you gentlemen from the different colonies of the West Indies come to our city and country to meet with us in conference with the idea of devising ways and means by which commercial transactions and the communications connected therewith may be improved and bettered so that the trade and commerce of these countries may be stimulated thereby. We have the advantage of being members of the same great family, and that puts us at once on a footing of intimacy and friendliness which is greater than could be enjoyed if we came from countries not under the same flag and owing a common allegiance. You are a maritime people and we are largely a maritime people, and our commerce to and fro over the seas will naturally aid in the development of our commercial marine and all that appertains thereto. For a number of years Canada and the West Indies have been communicating with each other, and have been endeavouring in various ways and at different times to stimulate the volume of trade and to improve the means of intercommunication. At no previous period in the history of these countries were the circumstances so favourable to our coming together and making an arrangement on the lines foreshadowed than at the present time. In 1890, when I had the pleasure of visiting the West Indies, I met one or two gentlemen who are present here to-day, but I need not remind them that since then circumstances have very much changed in various ways. In the first place, Canada is a bigger country than it was then, and her people are able to consume more of your main products. The difficulty I found at that time, in furthering any commercial arrangements in the way of preference, was that our consumption of some of your great staple products was not large enough to induce you to interrupt your commercial connections with other countries. But that is all changed. Our population has so increased that we are able to tax you to your utmost for all the sugar you can produce, and to make you hustle if you are going to give us all we need. We are also a large fruit consuming country; our population, especially in the great western prairies, uses largely tropical fruits such as you produce, and our means of transportation are so much better than they were then, that it is possible to send us these fruits with commercial advantage and profit to those engaged in the trade. I desire to direct your attention to that which is, of course, apparent, namely, that this is only the beginning of things. We have seven millions of people in Canada now, but in ten years from this, in twenty years from this, in forty years, in fifty years from this we can hardly estimate the number of people there will be in this country, and consequently we cannot estimate the demand there will be on your resources to supply our people. I might remark that the United States has now within her own territory, or affiliated to her by special treaties, a tropical area which goes far towards satisfying her wants, and as these countries now have advantages which are not enjoyed by the British West India islands, a complete reversal of the position of things in that respect has taken place within the last twenty years. We are more and more driven to come to each other for our mutual advantage. I have always been of the opinion that the West Indies is an undeveloped country—what I mean is that although you have made

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good progress in a great many respects I do not think you have reached the limit of your development, and to my mind that development can best be assured by a certain and an interchangeable market of such size and such quality, that it will call upon you, for your present protection and for your future benefit, to meet the more extended requirements of Canada. Of course, on the other hand, we in Canada will be delighted to secure business in your markets. This is apparent to us all, and I merely note it in order that it may be fresh in our minds while we are conducting these negotiations.

We have now for fifteen years in Canada given a preference to goods coming from your markets. We have done that not entirely from philanthropic motives, but outside of the trade reasons which may have actuated us I think we can frankly state to you that we have done it because we felt you were members of the same family. (Applause.) And while you did not at that time and have not up to the present given us any shekels in return, we are not thinking about that at the present moment, nor have we thought about it in all these years. We have been very glad to try and draw your commerce to us and to try and get you to take all you can of what we produce.

Now that we are sitting down together, the time, I think, has arrived when we can take all these things into consideration and see if we cannot make permanent and mutual trade arrangements which will inure to the benefit of both.

I again welcome you here, and I express the hope that our deliberations may result in a permanent and profitable arrangement which will be good for our pockets, good for our lands, good for our nationality and good in the sense of the cohesion and development of the empire itself, drawing us, although we lie apart, closer and closer in every way. The West Indies ought to be a sort of summer land for our northern country. It is within the bounds of our own empire, and it seems to me that we should take advantage of what nature has placed at our disposal and get closer together in that as in other respects. On the other hand I think it would be good for the West Indians to get a sight of the snows of our northern clime as a sort of relief from the monotony of sunshine which you enjoy down there.

There is another thing which is important, and it is, that in my opinion there ought to be a larger investment of capital and a greater co-operation in business between Canada and the West Indies. You know what power there is in invested capital to draw countries closer together and to develop them. If we can in any way induce Canadian capital to invest in the West Indies, and if we can induce the business men of the West Indies to co-operate with us in the development of their country, there will be common bonds between us which will be mutually advantageous.

Our work at this conference divides itself into three parts: there is the commercial side of it, there is the steamship side of it, and there is the communication by telegraph and cable, and those are three very important points.

Before we separate this morning, I think it would be advisable for us to appoint a small committee with reference to steamship communication and another with reference to cable communication, so that a certain number of gentlemen here who understand these particular subjects may be able to give us the benefit of their views. I believe Mr. Rippon is here, and we have our own experts, and we may get the advantage of their advice when we come to deal with that question. I conclude by again expressing my own gratification and the gratification of my colleagues in the government at seeing you present, and I conclude with the hope that our labours will be profitable and result in success. (Applause.)

Mr. CHANDLER, C.M.G. (Barbados).—I beg to thank you, Mr. Foster, and the representatives of the Canadian Government for the kindly welcome which you have tendered us. I trust with you that the result of our labours here may be beneficial to both countries.

Mr. CAMERON, C.M.G. (St. Lucia).—I heartily endorse the remarks of my friend, Mr. Chandler. I thank you, gentlemen, for the kindly reception you have tendered to us.

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Mr. FOSTER presented statistics of raw sugar imported into Canada under the general and preferential tariffs, the quantity of raw sugar imported into Canada for consumption at preferential rates, the estimated quantity of foreign sugar admitted for use in Canadian beet root and other sugar refineries at preferential rates for refining purposes; also the estimated quantity of refined sugar consumed in Canada.

Mr. FOSTER.—I suppose each delegate has his instructions from his government.

Mr. CHANDLER.—Yes.

Mr. FOSTER.—I suppose these are not secret. Would it be advisable for us to have these instructions read here at the present time. We have no instructions so far as we are concerned. Probably some of you are limited in the maximum to which you could go, and it might be well to understand as soon as possible what are your limitations.

Mr. CHANDLER.—On the ship we met every day for four or five days so as to get in touch with one another and try and arrive at a common ground, and I think these meetings did a lot of good. I do not think, however, that it would be convenient just now to say what our instructions are.

Mr. FOSTER.—That, of course, is a matter entirely for your own convenience, but as soon as possible we ought to know just what you are prepared to do. We are prepared to do everything that is right, and we have a little the advantage of you in that our revenues are a little more elastic than yours.

Mr. CHANDLER.—You have a very considerable advantage over us in that respect.

Mr. CAMERON (St. Lucia).—With regard to cable and steamship communication, I assume it is understood that we from the West Indies have no precise instructions to discuss these matters with a view of coming to any final conclusion upon them. Any discussion and interchange of views which may take place upon the subject would be very useful and very informing, but it would in no way allow us to come to a definite conclusion or reach a finding binding on the colonies which have delegates here.

Mr. FOSTER.—Quite so.

Mr. CAMERON.—I think it is well that this should be understood, and it is with that in view that we have appointed the committees.

The conference then adjourned.

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## SECOND DAY.

OTTAWA, MONDAY, April 1, 1912.

The delegates from the West Indies and the Canadian representatives resumed in conference at eleven a.m. to-day, the Hon. George E. Foster in the chair. The delegates were all in attendance.

Mr. FOSTER.—I have had the figures in the minutes of evidence taken in Canada by the Royal Commission extended in all important details, so as to include the years 1910 and 1911. Each member of the conference will be furnished with a copy.

Mr. FOSTER.—The order of business for this morning is on the general subject of the matter of trade preference and relations between Canada and the West Indies. The idea was, when we last met, that we might take up the draft agreement which had been recommended by the commission, and go over it in the order set forth therein. The better way, I think, would be for us to have an interchange of opinions on each of these and find out about what we agree upon and gradually narrow it down to the matters upon which we disagree, if there should be any such. If that meets with your view, gentlemen, we will take up the first paragraph of that proposed draft agreement, which concerns itself with the limit of preference. I suppose it would be in order on that, to have each one of you state about what is his opinion. Of course, there may be no disagreement, and yet there may be differences owing to the conditions and circumstances of the different colonies. We do not know what conclusion you have come to in that respect.

Mr. CHANDLER (Barbados).—You have kindly given us a paper which is very important with regard to the imports into Canada. I wish to have one or two items in that paper explained before going on with the business of the conference. If you look at page 5 of that statement, you will see that the quantity of raw sugar imported for consumption into Canada during the years ending March 31, 1910 and 1911, is given, and taking the year 1911 you will find that the quantity of raw sugar imported into Canada for consumption, on 107 lbs. raw to 100 lbs. refined, was 507,537,374 lbs. Under the Canadian tariff item 135c, any refining company in Canada not engaged in refining sugar from Canadian beet root, is entitled to import at the preferential rate to the extent of one-fifth of the weight of sugar refined from raw sugar during the calendar year in which the raw sugar is imported. Now, if you look at page 4 of the statement you will see that during the year ending March 31, 1911, Canadian sugar refiners imported at preferential rates, roughly speaking, 124,000,000 lbs. under that clause 135c. Now, 135c says that you cannot pass warrants under that clause until you have melted five times as much as you desire to pass warrants for, and one-fifth of five million pounds is approximately, 100,000,000 lbs. It would appear, therefore, that 124,000,000 lbs. were imported under item 135c instead of 100,000,000 lbs. It may be stated that probably a lot of that sugar was kept in stock and not yet melted, but you will see a much similar balance from the year before, when the raw sugar imported was 432,000,000. I cannot understand the figures of 92,000,000 lbs. imported in 1910, at preferential rates, and 124,000,000 lbs. imported at preferential rates in 1911. It looks as if the quantities imported at preferential rates under 135c were in excess of the quantities that should have been allowed.

Mr. FOSTER.—In the first place, the 507,000,000 lbs. is calculating 107 lbs. of the raw to 100 lbs. of the refined.

Mr. CHANDLER.—That is so.

Mr. FOSTER.—So that the one-fifth would be one-fifth of the actual import of raw.

Mr. CHANDLER.—135c says, they are only to import one-fifth of the weight of the amount refined during the calendar year; that is one-fifth of the weight of sugar refined during that calendar year.

Dr. REID.—Perhaps Mr. McDougald will explain—

Mr. McDUGALD.—507,000,000 lbs. of sugar was imported during the year 1911, and the quantity imported under that twenty per cent clause was 124,000,000 lbs., which is a little more than the twenty per cent; practically about 24,000,000 lbs. more than the one-fifth.

Mr. CHANDLER.—If you take the year before you will find the same thing happens, and if you look at the Royal Commission Report, paragraph 59, they say:—

‘There are also intricate questions connected with the actual method by which the Canadian refiners carry on their trade. For example, it is represented to us that it suits them to buy more or less from hand to mouth, and not to buy in advance, which produces elements of complication and difficulty, which it is not easy for an outsider to understand and appreciate.’

Mr. WHITE.—There may be some question in connection with the calendar and the fiscal year.

Mr. McDUGALD.—The quantity refined would have to be ascertained, and that is ascertained under sworn returns

Mr. WHITE.—I am quite satisfied that either there is a mistake in the figures as printed or there is a misunderstanding as to the difference between the fiscal and the calendar year. I think there is no doubt at all that it is strictly limited to the twenty per cent on the amount they refine.

Mr. McDUGALD.—That is correct.

Mr. CHANDLER.—I would like to know what are the regulations of the Minister of Customs mentioned in 135c.

Mr. FOSTER.—The whole point is that you want to be sure whether or not a greater proportion is imported, than should be imported, from the non-preferential countries.

Mr. CHANDLER.—Yes, I want to know whether your regulations are sufficiently strict to ensure not more than the one-fifth comes in, or whether these regulations allow more than that proportion to come in.

Mr. FOSTER.—That is a point which Mr. McDougald and his officers might go over and make a thorough analysis and explanation. I think it will be found that our Customs is pretty strict when there is a question of duty involved.

Mr. McDUGALD.—The imports are only taken at three ports, namely, Montreal, Halifax and Vancouver. The production of the refiner has to be sworn to before the collector admits anything at the port. He checks up the one-fifth against it.

Mr. CHANDLER.—He takes the affidavit of the refiner?

Mr. McDUGALD.—The affidavit of the principal officer of the refinery, and these are kept on record at the port.

Dr. REID.—Meantime we will take it for granted it is all right, and we will have fuller explanations.

Mr. FOSTER.—Are there any other questions with reference to these figures that you need an explanation of?

Mr. CHANDLER.—That was the only point that occurred to me in reading the figures over, and I did not quite understand them.

#### DRAFT AGREEMENT.

‘1. On all dutiable goods, enumerated in Schedule A, being the produce or manufacture of Canada, imported into the Colony of the the duties of customs shall not at any time be more than four-fifths of the duties imposed in the colony on similar goods when imported from any foreign country; provided that on flour the preference in favour of Canada shall not at any time be less than 12 cents per 100 lbs.’



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Mr. CAMERON (St. Lucia).—With regard to the first paragraph of this draft agreement, I gathered from consultation with my colleagues since we have been together, that it represents generally an acceptable condition to the West Indies, with regard to the twenty per cent preference on such Canadian goods as may be specified in the schedule that is agreed upon. Then, with regard to the minimum preference on flour, I think, so far as I am aware, there is no administration that has any point to raise on that. If they have, I have not heard of it. I gather that that clause meets with general acceptance, subject to anything that the representatives may have to say here to-day.

Mr. CHANDLER (Barbados).—The Canadian flour package, in common with the United States package, is 196 lbs. to the barrel, and perhaps it would be more convenient to make it a shilling a barrel.

Mr. WHITE.—That is what is intended; a shilling a barrel.

Mr. CHANDLER.—One hundred and ninety-six pounds is recognized as a barrel of flour.

Mr. WHITE.—It practically amounts to the same thing, 24 cents on 196 lbs.

Mr. REID (British Guiana).—The legislature will probably make it one-quarter of a dollar.

Mr. WHITE.—With regard to that particular section, I suppose there is no doubt it is not applicable to free goods. If you have any free goods on your list, this would apply only to dutiable. Canada would be in the same position, I suppose, as any other country with regard to free goods.

Mr. CHANDLER.—That is right.

Mr. WHITE.—Except with regard to flour, it would mean that there would be a difference.

Mr. CHANDLER.—There must be a duty on flour.

Mr. WHITE.—In other words, where foreign countries are concerned, you cannot have any free flour.

Mr. CHANDLER.—We must put 24 cents per barrel at least on flour.

Mr. FOSTER.—Would it be agreeable to make that read 25 cents per barrel?

Mr. CHANDLER.—We had better leave it 24 cents; we work in pounds, shillings and pence. We in Barbados could make it 24 cents per barrel of 196 lbs.

Mr. WHITE.—If it is more convenient to you, it may be left as it is; the difference is very slight.

Mr. CHANDLER.—It does not matter at all; each customs department can work it out.

Dr. REID.—Does this four-fifths mean four-fifths of the lowest duty on any foreign country, even though it be one with which you have a preferential arrangement or may hereafter make a preferential arrangement?

Mr. CHANDLER.—Your goods mentioned in Schedule A would come in at four-fifths of whatever the lowest duty is.

Mr. FOSTER.—In other words, you would give Canada twenty per cent of a preference?

Mr. CHANDLER.—Yes.

Mr. FOSTER.—And it would mean that on flour we would have at least one shilling a barrel?

Mr. CHANDLER.—Yes.

Mr. WHITE.—And it would mean that you could not have free flour from a foreign country?

Mr. CHANDLER.—Yes. With regard to the items on the free list, that would not apply to anything that happened to be on the free list of the West Indies, but I take it that we will discuss items on your free list. We have certain items on our free list, like agricultural machinery, and we are quite willing to consider any request that may be made for a duty on items in our free list. I suppose, in return, you will let us discuss the items on your free list.

Mr. FOSTER.—Oh, yes.

Mr. WHITE.—As I understand it, we are simply discussing the form of this draft agreement at present, and when we come to schedules A and B all the items will be open to discussion.

Mr. CHANDLER.—Very well.

Mr. GRIFFITH.—What is the exact definition of 'foreign country' in that agreement?

Mr. FOSTER.—Any country not belonging to the British Empire.

Mr. GRIFFITH.—And not necessarily a country not a party to this agreement.

Mr. WHITE.—I should think so.

Mr. GRIFFITH.—That question has been discussed throughout the West Indies. Many persons take it to mean a British colony not a party to this agreement.

Mr. FOSTER.—Oh, no.

Mr. ROXBURGH.—It means foreign in the political sense.

Mr. WHITE.—In the legal sense, we speak of a foreign country, and it might include a British country outside of Canada, but for the purposes of a tariff there is no question in my mind that foreign country would mean a non-British country, and that any colony in the British Empire would not be foreign so far as we are concerned.

Mr. ROXBURGH.—That is our understanding of it.

Mr. FOSTER.—Do we consider that we have practically agreed on the terms of section 1 of the draft agreement.

Mr. WHITE.—It is understood that section 1 is agreed to.

Mr. FOSTER.—Perhaps it would be well if we would take up Schedule A now.

Mr. WHITE.—There is no objection to that, and we can hear any objections that may be made to any of these articles. Any that are agreed upon may be checked off, leaving only those to which there may be objection to be considered later. Then we can narrow down the list to all these questions to which objections may be taken on either side.

Mr. GRIFFITH.—Quite so.

Mr. WHITE.—We can take Schedule A and go through it and see which are agreed to and which are not.

#### ' SCHEDULE A.

*' Schedule of Canadian goods to enjoy the benefits of the Customs Preferential Tariff when imported into the Colonies.*

' Fish, canned.'

Mr. FOSTER.—Is there any dissent to that.

No dissent.

' Fish, dry, salted or smoked.'

Mr. CHANDLER.—With regard to that item, every ounce of it comes to us from Canada, and it is a very serious matter for us if we lose revenue on it. We collect the duty purely for revenue purposes, and our revenue is largely dependent on that. Inasmuch as there is no competition with Canada in that item, we determined to raise the question as to whether anything would be gained by leaving it in this list. If you strike it out we would continue to get your fish from you and we would also continue to get our revenue.

Mr. WHITE.—As you practically do not import from other countries, your point is that the same amount of fish would come in.

Mr. CHANDLER.—Yes, and we would lose one-fifth of our revenue from fish by putting it on the preferential list.

Mr. WHITE.—Then we might give our attention to that. You say you receive none of this fish from other countries.

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Mr. CHANDLER.—Our foodstuffs are pretty heavily taxed as it is, and we want to avoid putting anything more on the necessaries of life. If it is all the same to you we would rather leave the duty where it is than lose 20 per cent of our revenue on fish.

Mr. WHITE.—That can stand in the meantime, and you can prepare a statement showing how much revenue you derive from fish and the proportion you receive from other countries, and we can consider that later.

Mr. FOSTER.—There is a question for us to consider in connecton with that. The Canadian fishing industry is a very important one, and it would feel very much slighted if it were not included.

Mr. WALCOTT (Trinidad).—The fish dealers in Canada have in each case stated that they have no opposition in fish whatever, and that a preference on fish would be no benefit to them. That is the evidence taken at Halifax, St. John and other fishing centres. The increase of the duty on fish in the West Indies would have the effect of reducing the consumption, and the idea of the delegates was, that rather than increase the duty and run the chance of decreasing the consumption, it would be much better to omit fish altogether, especially in view of the evidence given in Canada that the fish dealers do not require a preference.

Mr. WHITE.—I would like to see the reference to that evidence, so that we may consider it. You believe that if you raised the tariff on fish you would shut off consumption.

Mr. WALCOTT.—Yes, and diminish our revenue.

Mr. REID (British Guiana).—Quite a quantity of this fish would be caught outside of the territorial waters of Canada and, therefore, strictly speaking, would not be fish, the produce of Canada, and I think it should be restricted to fish caught by Canadian fishermen in Canadian fishing vessels.

Mr. WHITE.—No matter where?

Mr. REID (British Guiana).—Yes.

Mr. WHITE.—Would that lead to any difficulties in the customs?

Mr. FOSTER.—That would cut out Newfoundland, which I suppose you do not want to do.

Mr. REID (British Guiana).—We would have to include fish caught by Newfoundland fishermen.

Mr. FOSTER.—A great deal of fish caught in Newfoundland waters comes to our ports and is marketed into your country from Halifax and other Canadian ports. It would be very difficult to keep a separate tab on that. We treat Newfoundland just the same as if she were Canada in this respect, and we suppose that the West Indies would probably do the same.

Mr. CAMERON.—If we were to give Canada a preference on fish would not Newfoundland fish be prejudiced in coming into the West Indies?

Mr. FOSTER.—Unless you gave Newfoundland a similar privilege.

Mr. CAMERON.—Yes, and unless that were agreed to by you. We are losing still more revenue on this head, and we cannot afford to lose that revenue if it is avoidable and if there is no substantial benefit to be gained by Canada. It is an extremely difficult matter to raise the revenue in some of these islands, especially on foodstuffs, where the cost of food is tolerably high at present.

Mr. FOSTER.—We will let that matter stand for the present. Large quantities of Newfoundland fish are sold in Halifax and resold to the West Indies.

Mr. CAMERON.—Yes, I see that is a large part of the trade.

Item allowed to stand.

‘Fish, pickled.’

Agreed to.

'Meat, salted or cured.'

Agreed to.

'Meat, canned.'

Allowed to stand.

'Meat, fresh, and poultry (dead).'

Agreed to.

'Wheat flour.'

Agreed to.

'Indian meal.'

Mr. CHANDLER.—I do not know why that is included in the schedule, but there is no objection to it.

Mr. FOSTER.—Don't you use Indian meal?

Mr. CHANDLER.—Oh, yes, we use it in large quantities, but you have no Indian meal to sell us.

Mr. FOSTER.—We raise Indian corn.

Mr. CHANDLER.—You import a great deal.

Mr. FOSTER.—We import as well as grow. We have some counties in Ontario that are excellent maize-growing counties.

Agreed to.

'Rolled oats and oatmeal.'

Agreed to.

'Cereal foods.'

Mr. WHITE.—We make all sorts of breakfast foods. I suppose it would be difficult to specify them.

Agreed to.

'Bran.'

Mr. CHANDLER.—I would ask that the word 'pollard' be added to that. Pollard is a form of bran, and it is so called in the West Indies.

The word 'pollard' was added to 'bran,' so as to read:

'Bran, pollard.'

Agreed to.

'Biscuits, not sweetened.'

Mr. FOSTER.—Do you object to sweet biscuits; this is limited to 'not sweetened' biscuits?

Mr. CHANDLER.—I do not think we object to that.

Mr. CAMERON.—Would not the word 'biscuits' alone cover fancy biscuits?

Mr. FOSTER.—I should think so; it does with us.

Mr. WALCOTT.—We get nearly all our sweet biscuits from Great Britain, and our importation of sweet biscuits is quite large. The biscuits we get from Canada are crackers and biscuits non-sweetened.

Mr. FOSTER.—We might be able to give the home country a race for your markets in sweet biscuits.

Mr. WALCOTT.—Our importation of sweet biscuits is considerable from the United Kingdom.

Mr. FOSTER.—Do you object to adding 'sweet biscuits'?

Mr. CHANDLER.—I do not think we should object if you press us.

Mr. FOSTER.—Do you get any sweet biscuits from the United States?

Mr. CHANDLER.—Hardly any.

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Mr. WALCOTT.—Quite a quantity of biscuits are made in the West Indies from Canadian flour.

Mr. WHITE.—As I understand it, there is a distinction in the tariff of the colonies between the duty on sweetened and non-sweetened biscuits, and I have no doubt that is the explanation of the wording. We can allow it to stand for the present. We would like, of course, to compete in your markets for that.

Item allowed to stand.

‘Oats.’

Agreed to.

‘Beans or peas, whole or split.’

Agreed to.

‘Coal, bituminous.’

Mr. CHANDLER.—What is the meaning of ‘bituminous’?

Mr. FOSTER.—We have bituminous and anthracite coal, which are quite different in their nature. In Canada we produce very little, if any, anthracite east of the Rocky mountains. The coal we export, or might export, is called ‘bituminous coal.’ We use anthracite in our houses because it has less smoke. Bituminous coal is used in factories and for all kinds of steam-producing purposes.

Dr. REID.—Have you a duty on coal going into the West Indies?

Mr. CHANDLER.—We have a half-crown duty on coal generally, and I do not think we get any from Canada at all.

Mr. REID (British Guiana).—We get a lot from the United States, and a great quantity of it is used on our coasting steamers.

Mr. FOSTER.—We would be very glad to get our coal into your markets.

Mr. CAMERON.—There is a lot of coal coming into St. Lucia, but it comes from the United States, and of course there is a great difference in the distance it has to be carried.

Mr. WHITE.—I think Nova Scotia would be greatly disturbed if we took that item out.

Mr. WALCOTT.—Very large quantities come from Norfolk, Virginia.

Mr. WHITE.—What is it used for by you?

Mr. WALCOTT.—Bunker coal.

Mr. WHITE.—Then it is bituminous coal.

Mr. WALCOTT.—There is a very large importation of it. In the majority of the colonies it is free, but in some of the colonies there is a duty on it.

Mr. CAMERON.—There is a duty of sixpence per ton with us.

Mr. WALCOTT.—To introduce the trade it would only be necessary for one of the importers to send to Canada and get a special shipment and get his preference.

Mr. WHITE.—I suppose it will depend to some extent upon the cost of freight.

Mr. CAMERON.—All the coal we import in St. Lucia comes from the United States.

Mr. WHITE.—We must consider that question of bituminous coal, because we must have regard to the maritime provinces, which are very largely interested in it.

Dr. REID.—The coal could go from Sydney direct to the West Indies, and I should think the freight rate would not be large.

Item allowed to stand.

‘Butter.’

Agreed to.

‘Cheese.’

Agreed to.

‘Hay.’

Agreed to.

'Horses, cows, oxen, bulls, sheep, swine, and poultry (living).'

Agreed to.

'Brooms and brushes.'

Agreed to.

'Boots, shoes and slippers.'

Mr. CHANDLER.—Practically all of our boots, shoes and slippers come from the United Kingdom now, and I doubt if there is a boot that comes from Canada. There again, it would be very hard for us to get a revenue. I do not know that Canada is prepared to compete with the mother country in any of these articles. Leaving the item in will not give the Canadian producer an advantage over the old country.

Mr. WHITE.—You say that this forms a substantial part of your revenue. You might prepare for us a statement of your importations and whence they come to you, and the amount of revenue you would be likely to lose.

Item allowed to stand.

'Cordage.'

Agreed to.

'Agricultural machinery and implements of all kinds.'

Mr. WALCOTT.—In the majority of the colonies these articles are free.

Mr. AUCHINLECK (Antigua).—In the Leeward Islands agricultural machinery is free, but agricultural implements are not free. It is not supposed that this will affect our free goods, but there is a tariff distinction between machinery and implements.

Mr. WHITE.—You do not understand there is anything in this, except in the case of flour, that would prevent you putting any article on the free list. Suppose we enter into this agreement with regard to the different items we have mentioned, is there anything to prevent you, outside of flour, putting any article on the free list?

Mr. REID (British Guiana).—No.

Mr. WHITE.—It is perfect freedom in the way of tariff.

Mr. CAMERON.—There is no objection to letting this on the free list.

Agreed to.

'Iron and steel rails, spikes, rivets and clinches.'

Agreed to.

'Wire (including barbed wire), woven wire fences, fencing, and metal gates.'

Agreed to.

'Machinery (including motor and other engines), steam boilers, electric machinery and electric dental appliances of all kinds.'

Agreed to.

'Vehicles, including automobiles and motor cars.'

Agreed to.

'Manufactures of india rubber.'

Mr. REID (British Guiana).—Will that mean goods made entirely from india rubber or composite goods. There are certain goods which contain only a proportion of rubber.

Mr. FOSTER.—I suppose there is hardly anything made from pure rubber. This would apply to what is generally known as india rubber goods, rubber boots, rubber coats, rubber tires and so on.

Mr. McDUGALD.—It applies to articles of which the component material of chief value is rubber.

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Mr. FOSTER.—I suppose it depends on your customs nomenclature, as to whether they are india rubber goods or not. As a matter of fact, I suppose your interpretation as to what it includes would be about the same as ours.

Mr. CAMERON.—It is only the larger colonies that import a good deal of that.

Item agreed to.

‘Paints, colours and varnishes.’

Agreed to.

‘Paper of all kinds, and manufactures of paper.’

Agreed to.

‘Vegetables of all kinds, including potatoes, onions, and canned vegetables.’

Mr. REID (British Guiana).—Some of those are on the free list with us.

Agreed to.

‘Soap.’

Mr. CAMERON.—That is a serious item

Mr. FOSTER.—Why?

Mr. WALCOTT.—On the point of revenue. The total import of soap into Trinidad amounts to 3,500,000 lbs., valued at thirty-two thousand pounds sterling. The majority of that soap comes from the United Kingdom. The soap used in the West Indies is what is called blue mottled soap, and they have apparently not been able to produce it in either the United States or Canada, so that it all comes from the United Kingdom. Our importation of soaps from other countries includes small quantities of perfumed soaps. Our loss of revenue on the importations from the United Kingdom would amount to a considerable sum.

Mr. FOSTER.—What do the duties you get from soap amount to?

Mr. WALCOTT.—Last year they amounted to £3,600.

Mr. CAMERON.—In St. Lucia the duty on soap last year amounted to £369 sterling, and twenty per cent would be £75 sterling.

Item allowed to stand.

‘House, office, cabinet or store furniture of wood, iron or other material; coffins, caskets, casket robes, and linings and casket hardware.’

Agreed to.

‘Planks, boards, deals, joists, scantling, shingles, shooks, staves and heading.’

Mr. CHANDLER.—There are certain classes of planks, &c., all of which we must get from Canada, but there are other classes of lumber which would be covered by this generic term, and which we do not get from Canada. We get pitch pine from the southern States and you cannot produce it in Canada. We have to-day only to do with articles which we get from Canada, and all of a certain kind of lumber must come from Canada. This is an item which as to duty is a big item with us and is in the same category as fish. White pine and spruce and all the Canadian class of lumber must come from Canada, and it cannot come from anywhere else. It only means a loss of revenue to us to leave this in; it is in the same category as fish.

Dr. REID.—When it comes from the United States you charge full duty.

Mr. CHANDLER.—This item covers all kinds of lumber, and one-half of it comes from the United States and we will continue to get that there, because you cannot send that kind of lumber from Canada. On the other half of our importation, which is composed of Canadian lumber, it means that we are losing five shillings per thousand feet.

Mr. ROXBURGH.—And by leaving this in you gain nothing, and we lose a great deal.

Mr. WHITE.—Would reduction in the duty mean increased consumption?



Mr. CHANDLER.—No.

Item allowed to stand.

‘Doors, sashes and blinds.’

Agreed to.

‘Pianos and organs.’

Agreed to.

‘Starch.’

Mr. WALCOTT.—From what is starch made in Canada?

Dr. REID.—It is made from corn, but I do not think you get any from Canada. I think all your starch comes from the United Kingdom.

Mr. GRIFFITH.—In connection with starch, I should like to raise a point in reference to cassava and arrowroot when the proper time comes.

Starch agreed to.

‘Trunks, valises, travelling and tool bags, and baskets of all kinds.’

Agreed to.

‘Cement.’

Mr. CAMERON.—At present we get very little cement from Canada. It all comes from the United Kingdom.

Mr. GRIFFITH.—There is a lot of Belgium cement.

Mr. CAMERON.—There is, yes.

Mr. REID.—There is not a barrel comes from Canada.

Mr. CAMERON.—None, whatever.

Mr. FOSTER.—We are now manufacturing a great deal of cement in Canada, but of course we have a very large home consumption for it.

Item allowed to stand.

‘Glass bottles, lamps, lamp chimneys, and table glassware.’

Agreed to.

‘Nickel-plated, gilt, or electro-plated ware.’

Agreed to.

‘Calcium carbide.’

Agreed to.

Mr. FOSTER.—That leaves us to deal with fish, coal, boots, shoes and slippers, soap, planks, boards, &c., and biscuits, sweetened. If the gentlemen from the West Indies will prepare their memoranda in reference to these as soon as they possibly can, we will discuss them further.

Discussion on the draft agreement was resumed.

‘2. On all dutiable goods enumerated in Schedule B, being the produce or manufacture of the Colony of imported into the Dominion of Canada, the duties of customs shall not at any time be more than four-fifths of the duties imposed on similar goods when imported from any foreign country; provided that on raw sugar not above No. 16 Dutch standard in colour, and molasses testing over 56 degrees and not over 75 degrees by the polariscope, the preference in favour of the colony shall not at any time be less than 4½ cents per 100 lbs., and for each additional degree over 75 degrees the preference shall not be less than ½ cent per 100 lbs.’

Mr. FOSTER.—That, I suppose, works out to fifteen cents for 96 test sugar on the polarization.



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Mr. CHANDLER.—Muscovado has twenty-seven and a half cents preference now, and 96 test gets a preference of thirty-one cents. The minimum under this convention would be eleven and a half cents and fifteen cents, respectively.

Mr. WHITE.—As I understand, there was a controversy as to who receives the benefit of the preference, and I suppose that controversy still rages. It seems a difficult question to determine. Our refiners contend most strenuously that the growers obtain the entire benefit of the preference, whether it is thirty-one or fifteen. On the other hand, the growers may have a different story to tell. I suppose the truth lies between these two statements, that the planters at times do take the entire preference and at times our people receive the benefit.

Mr. CHANDLER.—I think that is right.

Mr. WHITE.—I think the commission found that the growers would take from one-third to one-half, and they apparently had that in mind when they arrived at this conclusion that this would be the minimum preference with regard to raw sugar. Is that what you understand, Mr. Chandler?

Mr. CHANDLER.—I think we know more about this now than we did at the time of the report of the Royal Commission. If you look at paragraph 56 of the report of the Royal Commission, you will find it reads:—

'56. An interesting fact to be learned from the tables placed before us, of which that forming Appendix VIII to the evidence taken in Canada may serve as a specimen, is that the difference between Canadian and New York prices varies from nothing to more than the total preference, apparently reaching its highest when the Cuban crop is in New York, and sugar is consequently plentiful, and its lowest when, with the disposal of that crop, sugar becomes relatively scarce.'

If you look at Table VIII, that is the table submitted by Mr. Harris, you will notice that in the months the Cuban crop comes into New York, January until July, the United States sugar trusts put their feet on the neck of the Cuban planter, and as a rule depress the sugar, and the price of sugar in New York is considerably less than the world's price in Hamburg. I don't know why it is, but the commissioners point to it as an interesting fact. During the time the Cuban sugar is coming in, the New York refiner is depressing Cuban sugar as much as he can, making it below the world's price, and then we get in sales to Canada the preference, or some of it. 'At other times we do not get it. That leads up to a fact which corroborates these figures: In 1910 when the Cuban crop was comparatively short and the beet crop was a big crop, the New York sugar trusts could not put their feet on the neck of the Cuban planter that year, because they wanted the Cuban sugar and there was then little difference between the European price and the price in New York. That year the refiners of Canada got all the preference; there was a big beet crop and a comparatively small Cuban crop, and the Canadian refineries got it all. This year, before I left Barbados we were getting all the preference, or some of it anyway, because there was a short beet crop in Europe and a big crop in the western hemisphere. The preference on Cuban sugar in the United States is only thirty-four cents per 100 lbs. 96 test, but the United States refiners depreciated the New York price below Hamburg prices until it was seventy-two cents, and, funny to say, we were getting the preference. Mr. Collymore tells me that this year we are not only getting the preference but more than the preference. Therefore, as to who is to get the preference and who is not would seem to me to depend upon world-wide forces.

Mr. WHITE.—I do not believe it is possible to arrive at any definite conclusion with regard to that.

Mr. CHANDLER.—It looks to me as if whenever Europe has an enormous beet crop, and the crop on this side of the Atlantic is comparatively small, that the refiners got the preference, and when Europe has a short beet crop, like this year, and Cuba expects to make 1,800,000 tons, it looks as if we got the preference. It will depend upon the action of the sugar trust in New York as to who gets the preference. I am

not sufficient of an expert to explain it, but our experience since the Royal Commission has reported is in accordance with the facts which are set forth in that table, if you should study it. It seems to me to be a waste of time to talk about whether the refiner or the West Indian grower is to get the preference.

Mr. WHITE.—I have looked into the question to some extent, and I have come to the conclusion that it is impossible to determine who gets the preference. One or the other seems to get it occasionally, but it is impossible to tell what time they would get it and to what extent. It is a very confusing and a very difficult question to determine. If you gentlemen are able to elucidate it, I should be very grateful. Our refiners here contend that the Canadian refiners are going to consume much more than you people can possibly produce. Let us assume that for the moment. Now, if that is so, if we are going to require very much more raw sugar than you can produce, why would you not be able to take the entire benefit of the preference, because our refiners have to pay, if they bring in foreign sugar, the yellows rate whatever it may be, and they have to pay the duty—I think it is eighty-three cents on foreign sugar. They pay fifty-two and a half cents upon the sugar that comes from the West Indies. That is the preference. Now, if our demand was greatly in excess of the supply which you could furnish us, why would not your planters be able to take whatever benefit the preference might confer on them? It seems to me it would be so. I may be wrong, but that is my opinion at present. It is very complicated and technical, of course, but it seems to me that arguing on that general ground you are more apt to reach a proper conclusion than you would in any other way. The intention of the preference was that the public should get some little advantage from it, but it would seem to me that if your supply was not at all likely to meet our demand that your planters are going to get the benefit of the preference, and if that is so, unless we reduce our general tariff upon foreign raw sugar, the refiners here are going to ask us to give them an adjustment of tariff with regard to the refining, because they would feel they would lose some advantage as compared with their present arrangement. These are some of the difficulties I encountered in looking into the matter, in a somewhat superficial way, I confess.

Mr. FOSTER.—I have made a careful study of that report, and I have heard both sides to the limit, and have used all the judgment I have, and I am entirely in the air with reference to two things: one, that you could control this by any standard market.

Mr. WHITE.—I agree with you.

Mr. FOSTER.—It is like atmospheric disturbance above us and around us; the atmospheric currents are disposed of by influences we do not know anything about and cannot control, and so with reference to this preference. That is the one side of it. The other thing is, that the question as to who gets the preference has to be fought out between producers on one side and consumers on the other side, both of them in the midst of all these varying and fluctuating influences of trade, and of demand and supply. I think we would dispose of our time to poor advantage if we were to enter into a discussion with reference to either of these with the idea of settling them.

Mr. WHITE.—We cannot settle them, because I think the causes are world-wide, and there is not much chance for useful discussion about it. However, I do not understand that our friends from the West Indies are raising any objection on this point, and so far as the form of the clause goes, I do not know that there is any objection on our part.

Mr. FOSTER.—We have no objection.

Mr. CHANDLER.—I want to have a discussion with regard to the latter part of that clause, which is most important to us.

Mr. WHITE.—You mean as to what?

Mr. CHANDLER.—As to the amount of preference; the fifteen cents and the eleven and a half cents in place of thirty-one and twenty-seven and a half.

Mr. WHITE.—The difficulty is that if this agreement goes into effect it will mean that the privilege our refiners now have of importing twenty per cent of foreign raw sugar will be taken away from them.

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Mr. FOSTER.—Not necessarily by this clause.

Mr. WHITE.—Would it not; where is the saving clause?

Dr. REID.—Our twenty per cent is in the tariff.

Mr. REID (British Guiana).—Foreign sugar can be imported under the general rate of duty at present in your tariff.

Mr. WHITE.—If this clause stood as it is, would it permit of the present regulation as to refiners importing at preferential rates twenty per cent of their output of foreign grown sugar; would that privilege be consistent with this section?

Mr. FOSTER.—Not more than four-fifths.

Dr. REID.—Do you mean if it went into existence in the present tariff?

Mr. WHITE.—Yes.

Dr. REID.—If it went in, with the present tariff it would give them four-fifths on the whole importation.

Mr. REID (British Guiana).—As I read it, assuming they purchased all the sugar for one year from the British West Indies, under this they would pay four-fifths, at the preferential rate, and then under item 135c they would have one-fifth at fifteen cents lower than the general rate.

Dr. REID.—I think that tariff could be read either way, but so far as I am concerned it looks to me as if though they imported all their sugar from the West Indies they would get it in here at four-fifths; fifty-two cents; the whole lot would come in under that.

Mr. WHITE.—That is, as the tariff stands to-day. Is there anything in this that would prevent us from abrogating that twenty per cent arrangement and then, we will say, allowing the present preferential rate to stand subject to this clause. That is to say: the general rate would be twenty-five per cent in excess of the preferential rate and not less than fifteen cents of difference between the two.

Dr. REID.—As our general tariff stands now, we have with any foreign country a tariff of eighty-three and fifty-two, and this article says that the duty shall not at any time be more than four-fifths of the duties imposed on similar goods imported from any foreign country.

Mr. WHITE.—If that clause stood it would mean four-fifths of the fifty-two; there does not seem to be any doubt about that.

Mr. REID (British Guiana).—And, therefore, the present preference would be further reduced by fifteen cents.

Mr. WHITE.—I think there is not the slightest doubt of that unless before this came into effect we made another change. As it stands to-day, your rate is twenty per cent on fifty-two.

Mr. FOSTER.—Whatever our foreign duty is, the West India products would come in at twenty per cent less.

Mr. CHANDLER.—Which makes clause 135c an absurdity. Suppose you leave 135c there, we come in for the whole of our goods at fifteen cents per 100 lbs. less than the most favoured foreign sugar. The foreign rates are eighty-three and a half and fifty-two, but if this becomes effective, we will say, if it were foreign sugar you would charge fifty-two. We insist, therefore, on a generous interpretation. If the refiner is going to import one-fifth under 135c he could pass his warrant as soon as he melted a certain quantity for thirty-seven and a half cents; if he got his one-fifth from us he would not pay fifty-two. As a matter of fact, under the refiners' benefit clause which you put into the tariff with the object of his getting foreign sugar, it would mean that he would come to the West Indies for his one-fifth at thirty-seven and a half cents.

Mr. FOSTER.—Then, I suppose your planters would salt him.

Mr. CHANDLER.—The best way is to strike out 135c.

Mr. FOSTER.—I think that is what you have in your mind.

Mr. WHITE.—That would be for our consideration. Would there be any disadvantage in what you suggest; how would there be a disadvantage in the thirty-seven and a half cents?

Mr. REID (British Guiana).—We would never know when we are selling sugar to the refiner in Canada, whether he is buying with the advantage of thirty-one cents or fifteen cents preference.

Dr. REID.—He would have thirty-one and fifteen more, or forty-six cents.

Mr. REID (British Guiana).—Against the general foreign rate, but under the foreign preference, with 135c he would only have fifteen cents. On the other hand, the refiner might, when there was plenty of cheap sugar offered, go into the open market as he does now and buy his supply. Sometimes when we have a cargo in Demerara he says to us: I have a cargo offering in San Domingo at a certain price, and if you don't take that price I will buy there. We do not, of course, know when this is a real cargo or an imaginary cargo. From the producers' point of view, we very much prefer that this preference, which is to be given under clause 2 of the draft agreement, should be exclusively confined to British products, and that foreign sugar should only come in under one general rate of duty. Since this amendment to the tariff in April, 1909, the value of the preference has been reduced fifty or sixty per cent. Formerly it worked out that the producers got about twelve and a half cents per hundred pounds in Demerara, and now they reckon that they get from three cents to seven cents on the average.

Mr. WHITE.—Your idea is that if this particular clause of our tariff were repealed that then your producers would receive a larger amount of the preference. I think they would get the whole of it, myself, especially having regard to the future, because the demand would be very much greater than the supply.

Mr. REID (British Guiana).—Yes, but at the same time the areas under sugar cultivation in British Guiana and the West Indies would naturally largely increase, with an assured market in Canada. Then the Panama canal will be open in a few years, and that would have the effect of allowing sugars from the Fijis and the Mauritius to come to the Atlantic side, which they cannot do now because of the high freight rates.

Mr. WHITE.—Suppose this one-fifth clause were repealed, the position would then be that the preference might remain at fifty-two and a half, the present rate, and the general rate be brought down to sixty-seven and a half or something like that. Or, on the other hand, the general might be maintained at eighty-three and the preference made less by fifteen.

Dr. REID.—The great difficulty is that if the refiners have to go to foreign countries and pay the whole amount of the duty, is not that going to increase the price in the West Indies, so that the refiner would have no protection at all?

Mr. WHITE.—Yes, but not more than fifteen cents. I have no doubt in my mind that the effect of this safeguard so far as our refiner is concerned, would be that he could go on the markets of the world if this clause were abrogated and buy. Then, the West Indian people would be able to take the fifteen cents. I think if there was a reduction from eighty-three to sixty-seven he would be to that extent in a better position than now. Our refiners can get most of their material now from the British West Indies.

Mr. CHANDLER.—That raises another question. Assuming that this clause stands as it is now, it says: that the duty shall not at any time be more than four-fifths of the duty imposed on similar goods when imported from any foreign country. Surely, as long as your tariff 135c stands as it is you would not deprive us, because we come here to make a treaty with you, of the thirty-one cents present preference and charge us sixty-six and four-fifths cents instead of fifty-two cents per 100 lbs. As long as your present tariff stands we are not going to give up thirty-one cents to get fifteen cents.

Mr. WHITE.—This clause would have to be a part of our agreement, and if we decided to make our tariff conform to that clause there should be a difference of fifteen cents.

Mr. CHANDLER.—Suppose we adopted the draft agreement and it was made to become law in the West Indies and Canada, you certainly would still, as long as your present tariff remains, grant us the thirty-one cents preference.

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Mr. WHITE.—It would be open to us to change that tariff as long as we conformed to that agreement.

Mr. FOSTER.—We do not now propose anything of that kind.

Mr. WHITE.—This would have no bearing upon our present tariff.

Mr. CHANDLER.—Until you changed your tariff.

Mr. WHITE.—It would be open to us to change it, as long as we did not infringe on this agreement. If we abrogate this preference with regard to the twenty per cent which our sugar refiners have they would tell us they would have to receive some consideration, because they claim now that you get all the preference, and you would get it all the more if that twenty per cent clause be stricken out.

Mr. REID (British Guiana).—That has not been the experience of the West Indian planters.

Mr. WHITE.—If the twenty per cent should go by the board, our men are less likely to get the advantage of the preference.

Mr. FOSTER.—I should think that whatever the preference is, it will go one way or the other and they will probably divide it in the end.

Mr. REID (British Guiana).—We have to sell our sugar when the season is at its height in Demerara, and it is then that the refiners get liberal supplies and the price is depressed.

Mr. FOSTER.—I suppose a great deal will depend upon the circumstances; the sugar producer may have to sell sometimes when he does not want to, because his bills have to be paid or for some other reason.

Mr. REID (British Guiana).—Exactly.

Mr. CHANDLER.—It is just the same as with the Cuban crop in the United States. All of our crop is sold in five months; we have no means of storage; the whole of it is poured into Canada at the same season of the year and the price is depressed.

Mr. REID (British Guiana).—It is only when short of supplies that the refiner goes into the open market.

Mr. FOSTER.—Just as the planter would do if he were a buyer.

Mr. REID (British Guiana).—Exactly.

Mr. CHANDLER.—The object we have in view on both sides is to have such a preference as will turn the trade of the two countries without fail to each other. The question is: will fifteen cents preference for 96 test and eleven and a half cents preference for 89 test be sufficient to ensure the trade between the two countries. The present preference of thirty-one cents and twenty-seven and a half cents has, by experience, proved to be sufficient to divert the trade from other countries, and to bind the trade of Canada and the West Indies together. But you do not want to put the preference so low that every now and then occasions will arise when the West Indian sugar will go somewhere else. If you have a preference of eleven and a half cents on 100 lbs. of sugar, assuming each side is getting one-half, circumstances will inevitably arise when the five and three-quarters cents for each would not bring about the bargain. The fact that you may have a steamer ready to take the sugar elsewhere, the fact that you have not storage accommodation to await a freight to Canada, the fact that you are losing interest, and that against that you have only five and three-quarter cents to seller and the same to purchaser, would not be sufficient to ensure that West Indian sugar coming to Canada. Don't let us waste our time in putting the preference at such a low figure that according to the fluctuations of trade the trade will get diverted. In regard to these figures, Mr. White asked where did they get the four and a half cents from, and in reading the report of the Royal Commissioners, it appears that one of the witnesses in discussing the question generally, without any authorization on the part of anybody concerned in the output of the sugar, thought this idea worked out about fifteen cents for 96 sugar and that this preference was enough. The question was never properly considered, as to whether that would be sufficient inducement to bind the trade of the two countries together, and what I want to try to impress on the conference is that we must carefully consider the amount of

preference which is necessary to give effect to this convention. To my mind, I do not think that fifteen instead of thirty-one, and eleven and a half instead of twenty-seven, would be sufficient to ensure that the West India planter and the Canadian refiner will at all times come together with regard to bargain and sale.

Mr. FOSTER.—That is a very important question and one worthy of consideration. I have talked the matter out with a number of the planters, and I have gone over very carefully the evidence that was given. The planters, some of them at least, say that if they could get a preference of five cents it is absolutely sure to direct the trade. Of course, I do not mean to say that I have interviewed all the planters. The idea, at the time the preference was given, was not to help either planters or refiners. The idea was to get the West Indies and ourselves closer together on interchange of products. But we do have planters and we do have refiners, and we find that they are important factors in this whole arrangement. It is quite true that we must very seriously consider that point. The whole thing will come down to this, that if we pass this clause, if our tariff remains afterwards as it is, you will get twenty per cent reduction on the lowest duty paid by any foreign sugar that comes to this country. That will be about what it amounts to.

Mr. WHITE.—But not less than fifteen cents.

Mr. FOSTER.—It will mean that if we change our legislation and do away with the extension of the preferential section into the non-preferential market, for one-fifth, that you will get a straight twenty per cent reduction upon our general duty. The question as to how we will do away with that one-fifth extension is a matter that, while it concerns you, must be dealt with by ourselves.

Mr. CHANDLER.—Quite so.

Dr. REID.—Do I understand that if we do away with the twenty per cent clause the sugar would have to be imported as it is now at fifty-two cents?

Mr. FOSTER.—No, the rate against foreign countries for raw sugar is eighty-three and a half cents. They will get twenty per cent on that.

Dr. REID.—That will be sixty-six instead of fifty-two as at present.

Mr. FOSTER.—If that became operative here, they would enter it at twenty per cent less than eighty-three and a half cents.

Dr. REID.—Or, they could enter it at fifty-two, the lowest rate.

Mr. WHITE.—As the tariff stands now, with the twenty per cent clause in, if we made any changes in that tariff and entered into this agreement including this particular section, the position would be that sugar from the British West Indies would be entered at twenty per cent less than fifty-two, and five points added to that again to make the fifteen, that is to say your rate would be thirty-seven and a half. But, if we change our tariff law as we might, then the whole question is,—that what you would have to do is to conform to this preference clause. We might do it in two ways: we might say we will let the foreign rate of eighty-three cents stand, and we will take off fifteen cents or one-fifth, as the case may be, and make your rate sixty-seven or sixty-eight, or we might say we will let you in at fifty-two and reduce the rate to sixty-seven.

Mr. CHANDLER.—And do away with 135c.

Mr. WHITE.—Exactly. Is that the position?

Mr. CHANDLER.—That is the position.

Mr. FOSTER.—You would get at it easier by taking the refiners twenty per cent idea off entirely.

Mr. CHANDLER.—That is it.

Dr. REID.—There is a British preferential tariff of fifty-two. This agreement says that the duties of customs shall not, at any time, be more than four-fifths of the duties imposed on similar goods when imported from any foreign country. Our foreign rate is eighty-three, and four-fifths of eighty-three is sixty-seven. A man comes in and he says: it does not say it will be that; it says it must not be more than that, and I am going to enter at fifty-two. They will come under the preferential tariff at fifty-two.



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Mr. WHITE.—The way to meet that would be to let the British preferential rate and the West India rate stand at fifty-two and reduce the general, making it fifteen above fifty-two, or sixty-seven.

Dr. REID.—It would be all right if you did that.

Mr. CHANDLER.—And strike out 135c.

Mr. WHITE.—Yes, but of course these are only suggestions.

Mr. CHANDLER.—That is what we want.

Mr. WHITE.—If we leave the general at eighty-three, then, so far as the four-fifths is concerned, it would be of no effect, because you would still be entitled to come in under the fifty-two. The way to meet that, if we so desired, would be to reduce the eighty-three to sixty-eight and give you the fifteen cents over the fifty-two.

Dr. REID.—That would only give them fifteen cents preference.

Mr. WHITE.—That is all it says; it says it shall never be less than fifteen cents.

Dr. REID.—And you would not have the thirty-one.

Mr. WHITE.—The thirty-one would be gone, so far as they are concerned.

Mr. REID (British Guiana).—The laws of supply and demand would have fair play then.

Dr. REID.—Mr. Chandler wants it brought down to thirty-one.

Mr. CHANDLER.—That is only on the general question. What Mr. White has suggested would be perfectly satisfactory to us, the refiners one-fifth concession being repealed.

Mr. WHITE.—That may be, but I do not know that it is entirely satisfactory to myself; I would want to think it over.

Mr. FOSTER.—We do not want you to go away with the idea that we will reduce the duty, but we will always preserve your relative position; you shall not have less than fifteen cents.

Mr. CHANDLER.—We are to understand that the amount is not fixed yet.

Mr. FOSTER.—I am going on the assumption that if such were the case, you would never have less than the fixed minimum.

Mr. WHITE.—If we leave the eighty-three stand, it seems to me, having regard to the objection raised by Dr. Reid, that what we would be obliged to do would be to place this rate at say sixty-seven, if that would comply with this clause, and raise the British preferential rate at the same time.

Mr. CHANDLER.—If that were done, then the result of our coming up here would be to put us in a worse position than we are in now. The eighty-three and a half standard would remain, and we would go up to sixty-seven.

Mr. WHITE.—There would be fifteen cents difference between you and the foreign. In the other way, which I first suggested, and it is only a suggestion, it would be to reduce the eighty-three to sixty-seven, keep the British preference as it is, and the refiner would get a reduction on the raw sugar from eighty-three to sixty-seven. There, you get some benefit on the raw sugar. As to what we would do with regard to the duty on refined sugar, would be for us to say.

Mr. CAMERON.—It is understood that the twenty per cent would go under such an arrangement?

Mr. WHITE.—We would have to consider it; we do not make any definite statement.

Mr. REID (British Guiana).—My instructions on this question are very definite. I have been instructed not to sign the agreement if foreign sugar is allowed in under two rates of duty. We feel very strongly on that point.

Dr. REID.—You have now reference to the refiners' twenty per cent?

Mr. REID (British Guiana).—Yes, and the concession given to beet root refining.

Dr. REID.—You want 135a and 135c struck out?

Mr. REID (British Guiana).—Yes.

Mr. WHITE.—Your instructions are, Mr. Reid, that the twenty per cent clause be stricken out?

Mr. REID (British Guiana).—135*a* and 135*c*, and that the preference rate shall exclusively apply to sugar from the British West Indies or British territory.

Mr. WHITE.—You would be content with an arrangement whereby the fifty-two and a half cents would remain as the British preference and your preference under this, and that so far as foreign sugar importations are concerned the rate should be at least fifteen cents above that.

Mr. REID (British Guiana).—Yes.

Mr. CHANDLER.—Provided these two items go.

Mr. REID (British Guiana).—Yes.

Mr. FOSTER.—You would sign the agreement with the understanding that the existing obligation should go on to its end in the beet sugar business.

Mr. REID (British Guiana).—Yes, to 1914.

Mr. AUCHINLECK (Antigua).—My instructions are to the same effect from Antigua.

Mr. ROXBURGH.—It is the same with us also; it is a point on which we are all very strong. Although we are only small in St. Kitts and only export 20,000 tons per annum, we want to get rid of that particular item in the Canadian tariff.

Mr. WHITE.—That is, that there would have to be a proviso introduced with regard to these two clauses.

Mr. ROXBURGH.—Yes.

Mr. WHITE.—The difficulty about that is in arriving at anything like a sound conclusion upon it. I have not been able from the findings before me to yet inform myself with regard to it. We are all just as anxious as you are that the trade between Canada and the West Indies should be promoted, and for various reasons, and I do not believe I will be able to come to a conclusion on it, different from that of the Royal Commission, on any sound ground during the time this conference would be limited to.

Mr. CHANDLER.—I candidly admit that I got no specific instructions on the point of insisting on the preference being more than that suggested. It naturally struck me that if you could make it fifteen cents for muscovado and twenty for crystals or something like that, it would keep the trade in the grooves in which it now is. We should be absolutely certain that we are not going to do anything now which is going to undo what has been done with the thirty-one and twenty-seven and a half cents, respectively.

Mr. FOSTER.—Our government would have to have as ample opportunity for investigating and hearing evidence as had the Royal Commission to come to any conclusion on that.

Mr. CHANDLER.—What did the Royal Commission go on?

Mr. FOSTER.—They went on the evidence, and I suppose all that which filtered into the minds of the commission by day after day and week after week studying the question and hearing about it and forming their opinion about it. They had a much better opportunity of coming to a conclusion on that than we can possibly have from a few days' consideration here. I would feel disposed myself to take the submission in that respect.

Mr. WHITE.—Of course any representation on that subject could be taken into consideration by us, but for the purposes of this conference we should, I think, stand by the report of the commission.

Mr. CHANDLER.—Mr. Collymore informs me that the difference in freight now between New York and the Canadian market is nine cents per hundred pounds. Then, when you come to eleven and a half cents preference on muscovado that leaves only two and a half cents to bind the trade of the two countries, which is getting it down pretty close.

Mr. FOSTER.—Also, I think we may keep this in mind: that we propose to make the communication better between the Islands and Canada, and possibly we can stand better in the future with regard to freight rates than we have in the past.



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Mr. REID (British Guiana).—In the memorandum of Lord Islington, at the end of the report, he suggested that the present Canadian preference on sugar should be continued.

The conference then took up the consideration of Schedule B, item by item.

## ‘SCHEDULE B.

*‘Schedule of West Indian products which are to enjoy the benefit of the Customs Preferential Tariff when imported into Canada.*

‘Sugar, molasses, and syrups.’

Agreed to.

‘Oranges, limes, lime-juice (crude), and grape fruit.’

Mr. PORTER (Dominica).—Does that include concentrated juice?

Mr. McDUGALD (Commissioner of Customs).—If it is not refined.

Mr. PORTER.—This is an item upon which I am instructed to ask for an effective preference. As a matter of fact, lime-juice and lime products constitute about seventy per cent of our exports and lime-juice is on your free list. Practically we are getting nothing in return for the preference which we accord if our principal products are to remain on your free list.

Mr. FOSTER.—You get free entry but no preference. Where does this lime-juice come from outside of the West Indies?

Mr. McDUGALD (Commissioner of Customs).—I do not think it comes from anywhere else.

Mr. PORTER.—I would like to have added to this item, ‘citrate of lime, lemons and tropical fruits of all kinds,’ fully described in items 90, 91 and 101 of the Canadian tariff.

Mr. FOSTER.—I will put a note of interrogation after that, and we will consider Of course, lime-juice (crude) would be all right, but lime-juice refined or concentrated would require consideration.

would require consideration.

Mr. GRIFFITH.—You can have concentrated lime-juice that is not refined.

Mr. FOSTER.—We will add, ‘citrate of lime and lemons.’

Mr. PORTER.—And other products of citrous fruits.

Mr. FOSTER.—What are they?

Mr. PORTER.—The essential oils.

Mr. FOSTER.—We will leave that for the present.

‘Bananas and pineapples.’

Agreed to.

‘Cocoa beans.’

Mr. WALCOTT (Trinidad).—I have prepared a return, showing the trade of the Colony of Trinidad in the articles which the Royal Commissioners have recommended we should grant a preference on, and also the trade in the articles on which they recommended Canada should grant us a preference. This return I would like to hand in.

The return was filed by Mr. Walcott.

Mr. WALCOTT said: This return shows, that the importation of the articles in Schedule A to December 31, 1911, amounted to £1,042,482 sterling. Of that sum, £135,830 represented the value of articles which are now on the free list of the colony, so that granting that we give a preference on all of the articles in Schedule A, the amount on which preference may be granted will be about £907,000. On the other

hand, our total exportation of the articles named in Schedule B amounted to £2,007,700; of this no less than £1,385,000 represented the value of various products which, I understand, are now duty free in Canada. That leaves only the sum of £621,600 to rank for preference in Canada, so that, so far as the trade with Trinidad is concerned, granting that both Schedule A and Schedule B are adopted as they stand, Trinidad would be giving a preference on a very much larger volume of imports than she would receive on her exports. The only articles which Trinidad exports and to which the preference would apply, would be sugar, molasses, and cocoanuts, which represent a very small part of her exports, our main industry, cocoa, being at present on the free list of Canada. Our difficulty in Trinidad will be that in the event of our receiving a preference on sugar only, we will find it a most difficult matter to adjust what for us will be a very considerable loss of revenue. Under section 88 of the Royal Commissioners report, the question of cocoa was dealt with. The Royal Commissioners there expressed a doubt as to whether the creation of a preference by the imposition of duties on foreign cocoa would be of any substantial advantage to the West Indies, but did not wholly exclude this from consideration in the future. I find from the Canadian returns, that the imports of cocoa into Canada are about 4,000,000 lbs. per annum. I also find from the evidence given in Canada before the Royal Commission, that the consumption of cocoa was estimated to have increased within the last eight or nine years by five hundred per cent. We recognize in Trinidad that the consumption of cocoa in Canada must and will and is bound to increase very rapidly, and that the Canadian market to Trinidad and the other cocoa-producing colonies must be looked forward to as a very valuable one. There are twenty-eight sugar plantations in Trinidad, which are in the hands of thirteen companies, most of the owners not being resident in the colony. On the other hand, we have over five hundred cocoa estates. We will find it extremely difficult to adjust our taxation if we have to tax the cocoa industry to make good a large deficit for the benefit of the sugar industry. I should like to point out that granting that the preference under this arrangement will have the effect, we all hope it will have, to transfer to Canada and the United Kingdom a great part of the trade in the articles named in the schedule, our loss in Trinidad will amount to a very large sum. I estimate the total loss, assuming that the whole transfer occurred, to amount to something like £20,000 old sterling.

Mr. FOSTER.—Where do you sell your cocoa now, outside of Canada?

Mr. WALCOTT.—Principally to the United States. It is divided between the continent of Europe and the United States. Over fifty-two per cent goes to the United States and the balance to Europe.

Mr. WHITE.—I find in the evidence taken in Canada by the Royal Commission, that we may have some difficulty with our cocoa men.

Mr. WALCOTT.—The objection which will be found in the evidence to our cocoa is something like the objection that we had to Canadian flour some years ago. We said then that the Canadian flour was not suitable for the West Indian market, and as far as I can judge the objection in Canada to the West Indian cocoa amounts to the same thing.

Mr. FOSTER.—You export it all in the form of the bean?

Mr. WALCOTT.—All.

Mr. FOSTER.—Don't you raise as good a bean as any other country?

Mr. WALCOTT.—We raise a very fine class of cocoa. So far as I can make out, from the evidence given in Canada, our cocoa is too good for consumption here. They seem to want a light cocoa which will give them a light colour, and they want our strong and full-flavoured cocoa to use for mixing in order to give it a flavour. As far as light cocoa goes, at present our British West African colonies are producing large quantities. I went to the Gold Coast in 1900, and the value of the export of cocoa from the British Gold Coast was £50,000. The last returns of the output in British West African cocoa amounted to a great deal more than from Trinidad, and that has

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all been done in ten years. There is an immense production now, and there will be a much larger production from British West Africa in the future. There will, therefore, be no necessity whatever for Canada to go outside of the British colonies to obtain cocoa. At present, I understand there is a very large amount of cocoa used in Canada which is not British cocoa. A large quantity of it is Venezuelan cocoa which is more or less of the same standard as ours; that is, it is a dark cocoa. That country produces a very large quantity of cocoa, and is in direct competition with Trinidad. I noticed in your street cars that one of your cocoa dealers was advertising the best cocoa on the market as 'Caracas' cocoa. I should like you to kindly go over these returns, because I wish the matter to be very carefully considered. In Trinidad we are most anxious to join the other colonies in entering into this agreement, but I am afraid if our main industry is left out we will find it a matter of grave difficulty to come in.

Mr. FOSTER.—Is there any other colony that is in the same business?

Mr. WALCOTT.—The Colony of Grenada produces almost nothing else but cocoa, and cocoa very much of the same nature as Trinidad cocoa. That colony, owing to the fact that it was taken for granted that cocoa should not be included, did not send a representative to Canada. On the other hand, Trinidad has come here in the hope that we will get it included.

Mr. WHITE.—I notice that one of the Canadian witnesses says that if a duty were placed on Java cocoa, it would drive them out of business. He says that the Canadians cannot use more Trinidad cocoa than at present. There are two things for us to consider, first, the position of the manufacturers here, and, second, the raising of the duty to the public. Cocoa is an article of very wide consumption in Canada.

Mr. FOSTER.—It goes into confectionery business of all sorts. However, we will consider with reference to Grenada and Trinidad—

Mr. PORTER.—From Dominica, a very considerable portion of our exports consists of cocoa. Our cocoa exports are twenty per cent of our total exports. Seventy-three per cent of our total exports are lime products and twenty per cent are cocoa and they are on the free list in Canada. We come here also in the hope of getting an effective preference on these articles. I may say that the trade from Canada to Dominica is over nine per cent of our total imports at present. Canada takes only about two per cent of our exports, so that at present she enjoys a very large advantage of trade, without any preference.

Mr. CAMERON.—St. Lucia is in the same position with regard to cocoa. The next industry to sugar is cocoa in St. Lucia. The actual value of the exports of St. Lucia in cocoa in 1911 was £46,000 and practically nothing goes to Canada now. To other countries we shipped £28,000 worth, and to the United Kingdom, we shipped £17,000 worth. Cocoa is very nearly of the same value as sugar with us.

Mr. CHANDLER.—I want to remind Mr. Foster of something that took place in 1890 when he was in the West Indies. He will remember what the merchants of the West Indian Islands were saying with regard to the unsuitability of Canadian flour, and everything that the Canadian cocoa manufacturers say now with regard to our cocoa was said by us with regard to your flour at that period. They said that Canadian flour was no good, that it was not done up in right packages, and all the rest of it, but now all that objection has disappeared to Canadian flour. It seems to me that these people are raising quibbles about this kind of cocoa and the other kind. There is enough cocoa grown in Grenada and Trinidad to serve Canada when she has a population of thirty million people. If the Canadian manufacturers want particularly light cocoa they can get British light cocoa. It seems to me that as the West Indian people quibbled about your flour in 1890 your people are now quibbling about our cocoa.

Mr. FOSTER.—We do not want to wait twenty-three years to get a taste for it.

The item of cocoa beans was allowed to stand for further consideration.

'Cocoanuts.'

Mr. ROXBURGH.—I suggest that you add 'cocoanut fibre.'

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Mr. McDUGALD (Commissioner of Customs).—I think that is on the free list. Coir, which is another name for coccoanut fibre, is free.

Mr. FOSTER.—I suppose the object of your inquiry is as to whether we should place it under a low duty.

Mr. ROXBURGH.—That is what we are asking.

Mr. WHITE.—If we increase the duty on anything that is free now it may cause us some difficulty.

Mr. ROXBURGH.—You see the enormous difference it makes to us.

Mr. WHITE.—I understand. The argument will be that if these things are free now they are free to you as well as to anybody else. One great question in this country now is as to the high cost of living, and the government will have to be extremely careful about anything it does in the way of raising the duty; there is no doubt about that. I am speaking perfectly frankly about it. I would not like to go to the House with any programme of any consequence at all in the way of raising the duty on articles of standard consumption; I think it would be a serious thing.

Mr. FOSTER.—What is the value of this coir that you make?

Mr. ROXBURGH.—It is not anything serious, and I really don't mind about that if it causes you any difficulty.

Mr. FOSTER.—It is a small production with you?

Mr. ROXBURGH.—Comparatively small. I do not press for it. Leave it on the free list, but put it in the schedule and leave it there.

Mr. FOSTER.—We could do that.

Agreed to.

'Asphalt and manjak.'

Agreed to.

'Coffee.'

Mr. FOSTER.—I suppose Jamaica is the chief coffee producer.

Mr. CHANDLER.—Many of the islands grow a certain amount of coffee, but not for export.

'Cotton, raw, and cotton seed.'

Mr. ROXBURGH.—That is on the free list now, and you will have no objection to add to it, 'cotton seed oil and cotton seed meal and by-products of cotton.'

Mr. WHITE.—I suppose that means that if we put a duty on any of these articles, you would be entitled to the preference.

Mr. ROXBURGH.—That is what we mean.

'Rice, uncleaned.'

Mr. REID (British Guiana).—I ask that rice, cleaned, be added to that. We export a considerable quantity from British Guiana. We hope to increase our export. Cleaned rice is dutiable now. I wish to have added, 'rice meal and bran.' It enjoys preferential treatment now when it comes from a British colony under the British preferential tariff.

'Petroleum, crude.'

Mr. WALCOTT.—This is at present free, but I notice by the Canadian tariff that there are a number of products of petroleum which are now dutiable. I would ask that these products be placed on the list so that in the event of Trinidad, which I hope she soon will, being able to produce illuminating and lubricating oil, we may get some benefit.

Mr. FOSTER.—Such as, for instance, what?

Mr. WALCOTT.—Illuminating and lubricating oils, being products of petroleum; they are now dutiable in Canada. I would ask that gasoline and other petroleum spirits be added.

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Mr. WHITE.—That is, you wish to add those in addition to 'petroleum, crude.'

Mr. WALCOTT.—I would wish to add, 'and all illuminating and lubricating oils, being products of petroleum, gasoline, and other petroleum spirits.'

Mr. WHITE.—Was this brought before the Royal Commission?

Mr. WALCOTT.—No, sir. At the time the Royal Commission met I do not think the oil fields were sufficiently developed.

'Copra and cocoanut oils.'

Agreed to.

'Rubber, raw.'

Agreed to.

'Balata.'

Mr. REID (British Guiana).—I would ask that we should be given a small operative preference on this. Balata is almost exclusively exported from the Guianas and contiguous territories in South America. We produce a very large amount annually, and we can supply Canada with all she would need for a long time to come. Balata is a bastard rubber and a sort of cross, between gutta-percha and rubber. It grows wild in the forest and is collected at intervals. It is used in the manufacture of machinery belting and things of that description.

Mr. WHITE.—We will have to consider that.

Mr. FOSTER.—This is now free, and it is used very largely by manufacturers, and your proposal would be to make it dutiable.

Mr. WHITE.—It might mean changing a whole schedule of the tariff.

Mr. CHANDLER.—We don't want a duty to be put on balata. We want balata to come in free.

Mr. WHITE.—I understood you desired us to put a duty on against a foreign country.

Mr. CHANDLER.—We want you to let balata and cocoa from British territory in free. We do not think that will increase the cost of cocoa and balata to the consumer because we produce more than you can consume. If any cocoa comes from non-British territory, of course, you would put a duty on it.

Mr. WHITE.—That is precisely what I understood. I have no doubt that if we did that the manufacturer would say that we were raising the duty on this product. If you touch one article of raw material you will have to work out a whole schedule of the tariff.

Mr. CHANDLER.—We have more cocoa and more balata than your manufacturers can possibly want. We want to sell every dollar's worth we can to your manufacturers. As long as we have more than they can take, how can there be a difference in price to them?

Mr. FOSTER.—Your contention is that you can give us more than we want, from British territory.

Mr. WHITE.—We would have to have the other interests here present to hear what they have to say about it. There is nothing so complex as one of these tariff questions. Something may appear all right in itself, but you may get some man who is interested in it and he will put it in an entirely different light.

Mr. WALCOTT.—Cocoa bean is not considered raw material in any other country in the world. Cocoa bean is dutiable, even in the old country.

Mr. REID (British Guiana).—We can produce about twenty per cent of the world's supply of balata, so that there would be no difficulty in getting it from British territory.

'Bulbs.'

Agreed to.

'Logwood and logwood extracts.'

Agreed to.

'Annatto.'

Agreed to.

'Turtle shells, unmanufactured.'

Agreed to.

'Ginger and spices, unground.'

Mr. WALCOTT.—I would wish to add 'nutmegs' to that.

Mr. WHITE.—What is the duty on nutmegs?

Mr. McDUGALD.—Twelve and a half per cent unground and twenty per cent ground.

'Arrowroot.'

Mr. GRIFFITH.—I would ask that arrowroot be placed on the Canadian free list. Arrowroot is one of the principal products of the colony I represent, and practically it is supplied by us almost alone. I know of no other country except Bermuda which makes arrowroot. Jamaica makes a little, but very little, so little that it need not be considered. Bermuda makes 600 barrels per annum, and I am told they will never be able to make any more. All the arrowroot that is manufactured comes from the Island of St. Vincent. In giving a 'preference on the articles that come to us from Canada, we have to make a certain surrender, and arrowroot is the only item on which we would get any material benefit in return from you. At the outside, we can produce about six or seven million pounds of arrowroot a year. At present we produce in good years, and when there is a good demand, about five million pounds. Of that Canada takes about eighty or ninety thousand pounds, which is a comparatively small quantity. We wish to obtain, if possible, in Canada, a better market for our arrowroot, and we believe that by asking you to place arrowroot on the free list for us and if possible put it amongst the dutiable goods for other countries, we will be obtaining something in return for what we are about to give.

Dr. REID.—Do you refer to the manufactured article in packages.

Mr. GRIFFITH.—We refer to arrowroot that has been manufactured. Of course, arrowroot in the root is not an article of commercial value, and in its manufactured state it is a very small item so far as Canada is concerned, and it is used largely in its raw state as material for manufacturing cocoa.

Mr. FOSTER.—What is the rate on it now?

Dr. REID.—One cent per pound, preferential.

Mr. GRIFFITH.—We have the control of the arrowroot supply now, but we never know what may happen. They may grow it in Cuba or Porto Rica and come into competition with us, and we ask that it be placed on the free list to us and that arrowroot from Cuba or anywhere else be liable to duty.

Mr. WHITE.—It is 15 British preference and 17½ general.

Mr. GRIFFITH.—One of the principle points in connection with it is that under present conditions the price we get for arrowroot in Canada does not enable us to compete with other things that may be used for a similar purpose. If it is placed upon the free list we will be able to come in and compete with other starches which at present shut us out of the market. The present duty on arrowroot is 15 per cent ad valorem.

Mr. FOSTER.—It is 1 cent per pound if you call it starch.

Dr. REID.—It is practically starch; it would have to be entered as starch.

Mr. GRIFFITH.—It is sold in Canada at 6 cents a pound.

Dr. REID.—What is it worth in barrels ground?

Mr. GRIFFITH.—About 4 cents per pound is the value for export.

Dr. REID.—We will let the matter stand in the meantime.

Mr. FOSTER.—As it is now you get an advantage.

Mr. GRIFFITH.—Yes.

Mr. FOSTER.—What you are asking for is a larger advantage?

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Mr. GRIFFITH.—Owing to the fact that starch is imported from the States, and comes in and sells at the same rate as we get, it has a distinct advantage on account of the smaller freight costs and charges. An advantage on this product is about the only thing my colony will get out of this arrangement in return for what we are asked to give. It is I think a question that will affect Canada very little and affect us very materially.

Mr. CAMERON.—I know St. Vincent very well, and I know that this matter of arrowroot is a matter of extreme importance to it. If it is possible to put arrowroot on the free list and allow it to have a fair chance to compete with other starches it would be a very important matter.

Item allowed to stand.

'Salt.'

No objection.

'Sponges.'

No objection.

'Vegetables, fresh, including sweet potatoes, plantains, onions, and yams.'

Mr. CHANDLER.—I wonder what that means. It says vegetables, fresh, and then it says, including sweet potatoes, as if it were necessary to mention them.

Mr. McDOUGALD.—I do not think that would exclude anything.

Mr. ROXBURGH.—I think it would be better to say: Vegetables, fresh, of all kinds.

Mr. WHITE.—As it stands, Mr. McDougald, would you not interpret it to mean vegetables of all kinds that are fresh?

Mr. McDOUGALD.—I think so.

Mr. WHITE.—Why not put it: Fresh vegetables of all kinds.

Item agreed to.

'Oils essential.'

Mr. PORTER.—I suggest there should be added to that: 'including Bay oil and Otto of limes.' I am not quite sure if these are included in the item.

Item agreed to.

'Tamarinds.'

Item agreed to.

'Molasquit.'

Mr. REID (British Guiana).—I would add to that: 'and similar cattle food.'

Mr. WHITE.—I do not think that is a good expression.

Mr. FOSTER.—What do you want to get in under that specification?

Mr. CHANDLER.—Different kinds of cattle food, some call it Malasquit and some call it by other names. It simply means molasses as a basis for cattle food.

Mr. FOSTER.—I think you had better stick to Molasquit, and it will include everything of which molasses is the principal ingredient.

Mr. WHITE.—There is no question as to raising the tariff on some of these items.

Mr. FOSTER.—We will get together and talk it over.

Mr. WHITE.—I think if we raise these tariff rates there will be trouble.

Mr. FOSTER.—Are there many other additions which our West India friends want to propose?

Mr. COMACHO.—I wish to have added, 'Cassava, cassava meal and other products of cassava.' That is a thing which we thought it desirable to put on this schedule with a view of fostering trade in it.

Mr. FOSTER.—Is there anything else?

Mr. CAMERON.—I wish to have added, 'ground nuts' (peanuts).

Mr. REID (British Guiana).—And I wish to have added, 'Diamonds, uncut.'



Mr. FOSTER.—They are on the free list now.

Mr. CAMERON.—Just keep them on the list and they will be there if there is a duty.

Mr. GRIFFITH.—I wish to add, 'Rum and other preparations of rum.'

Mr. REID (British Guiana).—And 'Kola nuts.'

Mr. CAMERON.—And 'Vanilla beans.' I wish to have added, 'Timber and lumber of all kinds.' That refers to furniture wood that may come from the West India islands.

Mr. PORTER.—We are interested in that; we are about developing a large industry in cut woods of all kinds, and considerable capital is invested in it, so that we expect to produce large quantities of these woods.

Col. HOUSTON.—I wish to have added, 'Bay leaves and papaine.'

Mr. ROXBURGH presented the following, showing the several changes the West India representatives desired in the schedules:—

#### SCHEDULE 'A.'

- Omit 'Fish, dried, salted or smoked.'
- To 'Bran' add the words 'and pollard.'
- Omit 'Boots, shoes and slippers.'
- Omit 'Planks, boards, deals, joists and scantling.'
- Omit 'Cement.'

#### SCHEDULE 'B.'

- Sugar, molasses and syrup.
- Fresh fruit of all kinds.
- Lime-juice crude and concentrated, citrate of lime and other products of citrus fruits.
- Cocoa beans.
- Cocoanuts and coconut fibre.
- Asphalt and manjak.
- Coffee.
- Cotton raw, cotton seed, cotton seed oil and cotton seed meal.
- Rice, cleaned and uncleaned, rice meal and bran.
- Petroleum—crude and all illuminating and lubricating oils being products of petroleum, gasoline and other petroleum spirits.
- Copra and coconut oil.
- Rubber, raw.
- Balata.
- Bulbs.
- Logwood and logwood extract.
- Annatto.
- Turtle shell unmanufactured.
- Ginger, nutmegs and spices unground.
- Arrowroot.
- Salt.
- Sponges.
- Vegetables, fresh of all kinds.
- Cassava starch, cassava meal and other products of cassava.
- Honey and beeswax.
- Oils essential, including Bay oil and Otto of limes.
- Tamarinds, fresh or preserved.
- Molasquit and similar cattle food.



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Ground nuts.  
 Diamonds, uncut.  
 Kola nuts.  
 Timber and lumber of all kinds.  
 Vanilla beans.  
 Bay leaves.  
 Papaine.  
 (The position of shredded cane to be ascertained and discussed).

## SCHEDULE 'C.'

West Indian products now on the Canadian free list, to be made dutiable when imported from foreign countries.  
 Lime juice, crude and concentrated, citrate of lime and other products of citrus fruits.  
 Cocoa beans.  
 Fruit as specified in items 90, 91 and 101 of the Canadian tariff.  
 Balata.  
 Sugar cane molasses as described in item 137 of the Canadian tariff.

## SCHEDULE 'D.'

West Indian products now dutiable to be placed on Canadian free list.  
 Arrowroot.

## CABLES.

Mr. WYATT, chairman of the West Indian section on cable communication, reported that the committee had held three meetings and handed in the following report:—

The West Indian portion of the subcommittee have met three times, twice with Mr. Rippon present and once without him. -

They had already heard on board the *Marouyne*, Mr. Dawson's resume of the subject.

The Imperial Government having abandoned the scheme of the Royal Commissioners to purchase existing cables and having settled on wireless instead, the members had to consider the matter from other points of view.

It is not clear that the Imperial Government's scheme of wireless includes the West Indies, but a paragraph in the 'Standard of Empire,' of March 15, indicates that wireless will reduce the rate from British Guiana to England from 7s. to 1s. per word.

Wireless has not proved very successful at British Guiana. Atmospheric and other troubles cause much delay and annoyance, so much so that it may be taken for granted that those using telegraphic communication there would prefer to have the security, secrecy and promptness of a cable at 3s. to 4s. a word to England rather than 1s. per word by wireless, which has never been so far looked upon as more than an auxiliary to the cable service.

Mr. Rippon kindly handed in six typewritten pages and one printed sheet with map on the subject, as per copies attached.

It has been pointed out that the Imperial Government does not appear to have separately considered the second portion of the scheme suggested by the Royal Commissioners of putting down new cables and wireless stations for a sum of about £250,000. These new cables would run from Bermuda to Barbados, Barbados to British Guiana and Barbados to Trinidad with a 'ship to shore' wireless erected at Barbados.

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For the new cables and wirelesses last mentioned it is estimated that about £22,500 in subsidies would be required for twenty years.

The members have no authority from their governments to say so, but they believe that provided a maximum tariff of 2s. 6d. a word between Halifax and the three places named, with proportionate reductions elsewhere and inter-colonially, was arranged, the governments of British Guiana, Trinidad and Barbados would be willing to transfer their present subsidies (£7,500 in all) for such a service, as soon as existing arrangements fall in. So far as British Guiana is concerned the contract there with the West India and Panama Company expires next year (date not available at present).

We can only respectfully suggest that the Dominion Government might take up the matter, if necessary advertise for tenders, and ultimately induce the Imperial Government to contribute some portion of the estimated £22,500 required for subsidizing the proposed £250,000 scheme, or themselves run it as a Dominion state cable in the hope of further reductions in rates. The connections from Bermuda to Halifax and Halifax to England should be retained 'All Red.'

As a record it is desirable to mention that the subsidies paid by British Guiana and the West Indies to the West India and Panama Company are as follows:—

British Guiana, £3,000; Trinidad, £3,000; Barbados,	
£1,500. . . . .	£7,500
St. Kitts, £500; Antigua, £500; St. Vincent, £300;	
Dominica, £400; St. Lucia, £500; Grenada, £600..	2,800
	<hr/>
Per annum. . . . .	£10,300

The West India & Panama Company, we believe, receives also some £900 additional from foreign colonies—Martinique or Guadeloupe.

The Halifax & Bermuda Cable Company received £8,100 per annum from the Imperial Government, but it expired in 1910, and was not renewed in any shape or form.

The Direct West Indian Company, we understand, receives £8,000 per annum from the Imperial Government expiring in 1918, as also £1,000 from Jamaica and £120 from Turks Island per annum.

All of which is respectfully submitted.

C. WYATT,  
ADAM SMITH,  
T. LAWRENCE ROXBURGH,  
F. A. C. COLLYMORE.

OTTAWA, April 1, 1912.

The conference then ended for this day.

## THIRD DAY.

OTTAWA, TUESDAY, April 2, 1912.

The conference resumed its deliberations this morning.

Mr. FOSTER presided.

All the other members of the conference were present.

Mr. FOSTER.—Gentlemen, we have been thinking over this matter somewhat and also as to the best method of expediting the business. We have gone through Schedule A, and have reserved some things for consideration at the request of the West Indian delegates. We have gone through the second Schedule B and have received a list of articles that the West Indian delegates would like to have added on certain conditions and we have asked you to put these into the shape of a memorandum stating your case with reference to these different articles and upon what you found your case. That of course is in the air as yet. That will present to the representatives of the Canadian Government matters which will require very careful consideration, and it makes it necessary that some time shall be given to it. We meet here and talk over these matters and then there comes a time when we want an answer from you on one or two particulars and you want an answer from us on a great many particulars. We cannot give you that answer until we have had some time to think it over. I wish you would prepare your memoranda on the points you have submitted to us, including all the matters about which you have preferred a request, giving us the data upon which you ask us to include these things.

Mr. CHANDLER.—There is one item which we have not discussed, and that is sugar cane molasses as described in item 137a.

Mr. FOSTER.—Does that come in free?

Mr. CHANDLER.—Yes; may I make a few remarks in regard to that item. Item 137a of the Canadian tariff reads as follows:—

Molasses of cane, testing under 35 degrees by polariscope, when imported for use exclusively in the manufacture of compressed food for live stock, free.

That is free also from foreign countries. Of course we in the West Indies would have known nothing about this matter if it had not been represented to us by merchants in Canada who are now dealing largely with our products, including vacuum pan molasses. I am in receipt of communications from merchants who deal largely in our produce, and the Imperial Commissioner of Agriculture, Dr. Watts, sends a copy of a letter he received on the subject from Mr. Russell Murray. I will read a few lines from a memorandum prepared by one firm which will place the matter before you—

Under tariff item No. 137a molasses testing under 35 degrees saccharine is allowed to enter Canada free of duty for use in the manufacture of compressed cattle food. The present government when previously in power stipulated that when molasses was entered for this purpose the character of the molasses had to be changed in such a way, or some foreign substance had to be added, before leaving the control of the customs so that it could not be used for any purpose other than for cattle feed, but the late government during the last two or three years had made a new ruling to the effect that if an importer puts a copy of item 137a on the customs entry and declares that the molasses is for cattle food it is released from bond free of duty in its natural state and put in dealers' stores

along with British West India molasses, and after that it is very difficult for any one to say for what purpose it is sold—we can only judge by results, and they are as follows:—

The importation of free molasses from the United States	
in 1906 was. . . . .	591,831
1909, I have not got.	
Imports for 1910, to March 31, 1911. . . . .	851,497
Imports for 9 months, April 1, 1911, to Dec. 31, 1911. . . . .	1,510,823

Now, in the first place, we know that the manufacture of compressed cattle food has not increased to any such extent as shown by these figures and the quantity sold in its natural state as 'cattle food' to be mixed by the farmer or stock raiser himself with compressed and cut hay or other foods (as the law is now interpreted) has not increased at this rate, and also we know that our own distribution of vacuum pan molasses for general baking and manufacturing purposes has decreased in proportion to the above increase, for instance, our distribution in—

1909 was. . . . .	6,104 packages
1910 was. . . . .	5,477 "
1911 was. . . . .	4,501 "

whereas there should have been a natural increase, as we know the business has not gone to our Canadian competitors.

Then, my correspondent deals with the question of this United States vacuum pan molasses coming in under this item in large tank steamers, with which we cannot compete because we have to send it in puncheons and then there is the expense of the package\*and the freight. As it is at present our vacuum pan molasses of which we have far more than you want for cattle food is being driven out of your market altogether. He suggests that vacuum pan molasses from the British West Indies should be imported free of duty. Of course it comes in free now, but the suggestion is that the vacuum pan molasses from the United States should have a duty of 4 cents a gallon. He says there is a difference of 3 cents in freight and 1 cent to cover insurance and other charges. It will take quite 4 cents to put our vacuum pan molasses on a parity with the New Orleans vacuum pan molasses. I have a letter from the Imperial Department of Agriculture to the same effect, and I think that fairly well puts the case. Of course your customs are not to blame, but from the way the item is worded all the importer has to do is to say: I want this for cattle food, and it is impossible for the customs to follow it up afterwards. There is a leak there, just as I suggested that there might be a leak with reference to those 124 million pounds of sugar under the refiner's one-fifth clause.

Mr. FOSTER.—We would like from you, as I said before, a memorandum setting out these requests and giving us a statistical basis to go upon. Mr. Walcott gave us for his colony yesterday a statistical statement bringing up the exports and imports to the end of 1911. Do the other administrations have their statistics in the same form or in a similar form?

Mr. CHANDLER.—I have mine for 1911. Of course our blue books are not out yet for that year, but I have had it prepared.

Mr. FOSTER.—I wish you would all give us a copy of statistics of that kind if you can.

Mr. CHANDLER.—I will hand mine in.

Mr. FOSTER.—Looking over that from Trinidad I found it was very complete.

Mr. CHANDLER.—There is a matter which occurred to us since we left our respective colonies, and that is as to whether there would be any objection to add after 'Sugar, molasses and syrup,' the words 'Shredded cane.' We are informed there is a new process known as McMullen's process now being exploited, in which a large sum

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of money, Canadian as well as American, is invested, the idea being to go to tropical countries to get the cane, shred it, press it, manufacture it here, and make syrup and all the other products from it in Canada. It has occurred to us that shredded cane might be added. You can put a duty on it or let it in free as you please, but we think shredded cane might be added in view of what may occur in the future.

Mr. FOSTER.—Do you know whether the process is economically a success?

Mr. CHANDLER.—Not yet.

Mr. FOSTER.—I was interested in reading a magazine article with reference to it, but I never knew that it had gone into practical operation.

Mr. CHANDLER.—They have an experimental station in Wisconsin near the Canadian border. They bring the shredded cane from Cuba, send it to the experimental factory in Wisconsin, and whether it is an economically sound proposition we cannot tell. It may turn out to be a very important item because instead of sending raw sugar to Canada it may come in the form of shredded cane. If you have no objection, and in order to be on the safe side, you might add shredded cane.

Mr. FOSTER.—Very well, we will write it in and consider it later.

Mr. WHITE.—Now that we have gone through the schedules, may we take up the draft agreement and see if that is satisfactory?

## DRAFT AGREEMENT.

The consideration of the draft agreement was then resumed.

On clause 3,—

‘3. The concession granted under section 2 by Canada to the Colony of shall be extended to all the other colonies enumerated in Schedule C for a period of three years from the day on which this agreement shall come into operation, and at the end of such period of three years such concessions to the other colonies may cease and determine as respects any of the said colonies which shall not have granted to Canada the advantages set forth in section 1.’

Mr. WHITE.—Is there anything to be said on that?

Mr. FOSTER.—There are two considerations. It uses the word ‘may,’ and that would be understood by us to be absolutely permissive. There is a good deal to be said in favour of that. Those who do give concessions in the West Indies and are suffering somewhat by loss of revenue because of giving these concessions, naturally look for benefits after a sufficient time has elapsed to enable these benefits to accrue to them.

Mr. CHANDLER.—We have no objection to giving Jamaica and the other colonies that three years. At the end of the three years they will probably have found that the United States will do with them in relation to fruit what they did with us in the matter of sugar.

Mr. FOSTER.—I understand the West Indian delegates are not objecting to that.

Mr. WALCOTT.—No, a place like Jamaica would be likely to come in in time.

Mr. FOSTER. We should like very much from our point of view, to have Jamaica in.

Sections 4 and 5,—

‘4. The Government of the Colony of                      may provide that, to be entitled to the concessions granted in section 1, the products of Canada shall be conveyed by ship direct without transhipment from a Canadian port into the said colony, or by the way of one of the other colonies becoming parties to this agreement.’

‘5. The Government of Canada may provide that, to be entitled to the concessions granted in section 2, the products of the Colony of                      shall be conveyed by ship direct without transhipment from the said colony or from one of the other colonies becoming parties to this agreement into a sea or river port of Canada.’

Mr. WHITE.—That is permissive to both?

Mr. FOSTER.—Yes; we might get the opinions of the West Indies representatives as to that.

Mr. CHANDLER.—I am instructed by my government that as the matter stands at present and will stand for some time to come it would be absolutely impossible for Canada to enforce the rights which she would have under section 5, and the more we thought of this the more we came to the conclusion that the only way was to suggest that these two sections be deleted. Our crop begins in January and we send a large portion of it to Montreal, and it is impossible to make a shipment from Barbados to Montreal before the first shipment on the 20th of April by the St. Lawrence route, except by sending our sugar in bond through New York to Montreal. It means that one half of our crop would have to go somewhere else. Unless some way can be seen out of the difficulty I was instructed to suggest that if clause 5 is to be retained it is to be amended so as to apply only to goods arriving in Canada while the St. Lawrence is open to navigation.

Mr. FOSTER.—Did you take into account the fact that we have maritime province ports as well as St. Lawrence river ports, and that it is possible at all seasons of the year to send sugar to Halifax or St. John. Arriving at Halifax it would supply the Acadia refinery and arriving at St. John or Halifax it would find its way to Montreal by rail.

Mr. CHANDLER.—That is all very well, but that agreement is for five years, and it would take five years to get that going.

Mr. FOSTER.—How do you mean it would take five years to get that going?

Mr. CHANDLER.—Do you think that within five years we could have ample steamship accommodation for all our produce via Halifax or St. John; I hardly think so.

Mr. FOSTER.—I have been informed that if you take the rate to New York and add to that the rate from New York to Montreal, and then take the rate to St. John and add to that the rate by railway from St. John to Montreal, there is practically very little difference between the two rates. I was speaking with some railway traffic men this morning and they gave me that general information.

Mr. CHANDLER.—There is a difference of about 4 cents per 100 lbs. to Montreal via Halifax as compared with Montreal via New York.

Mr. FOSTER.—Of course two things enter into the consideration of that. In the first place we hope to have better transportation accommodation and that is one point that is important. I did not know that the difference was so great as between Halifax and New York; I thought the rates were about even. But, we hope to have improved steamship communication; in fact I think we must have it as a corollary of any arrangement we may make, and that would probably pare down the difference between the two rates and it might even give an advantage to the regular Canadian port. The other consideration is that we are very much interested in the matter of our ports, and if our own ports can be benefited and the commercial interests are not hampered thereby we would be glad if such a thing could be brought about. I do not think our own Canadian merchants are a unit on this proposal.

Mr. CHANDLER.—You will find the Montreal man shouting one way and the Halifax man the other.

Mr. FOSTER.—I had a letter yesterday from one of the most representative men in Montreal and he gave it to me as his opinion that the only way to secure what we wanted was proper steamship accommodation between ourselves and the West Indies coupled with direct shipments, and he strongly advised that that course should be adopted. He is only one man of course, but I quote that to show that there are differences of opinion in Montreal. Of course this is a matter on which we would have to carefully feel the pulse of the people. The Board of Trade of Halifax has forwarded a resolution unanimously in favour of direct shipments, and St. John has done the same. I have not yet received advices from Quebec, Montreal and Toronto. It is of course a matter for very careful consideration.



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Mr. WHITE.—As these two clauses are permissive, I wonder if in the working out there would be any hardship

Mr. WALCOTT.—Our trade in Trinidad with Canada is now very considerable, and we think in Trinidad that if these clauses are insisted on in reference to taking Canadian goods direct from Canadian ports it will hamper our trade in Canadian goods. On the other hand, our freight rate from Trinidad to New York is very much less than our freight rate from Trinidad to Halifax or St. John. We have considerable shipping trade in Trinidad, and I think we can command better freights from Trinidad to New York than we can from Trinidad to Halifax or St. John.

Mr. WHITE.—The difficulty we have is that it is to some extent a political question, or rather shall I say a geographical question, within our own country. Of course the question of keeping the transportation of our own products within our own country is a very important one.

Mr. WALCOTT.—One of the great objections to this proposal is that it would limit the preference to goods coming on direct shipment.

Mr. FOSTER.—Of course it is permissive in both cases, but if the Government of Canada should come to the conclusion that they would put in force the principle it would be open to them to do it, and then our friends from Trinidad would say, maybe, that that would be to the disadvantage of trade between them and Canada. If a colony ever undertook to do it and we did not want it it would have a reflex influence. The underlying idea in my mind, whether we can ever bring it about or not, is, in some way or other to neutralize the difference between us in distance and facilities as compared with the United States and try to bring our trade in a highway between ourselves rather than run around by the cross roads.

Mr. CHANDLER.—It is practically all Canadian flour that is coming down to us now, but a lot of it comes through United States ports. There is a live agent in the West Indies who is selling this flour, and New York is full of Canadian flour in storage, and a West India merchant can telegraph up to New York and get 500 barrels of flour as many barrels as he wants in a few days. If he should have to send to Halifax and wait until he gets it from Halifax it would certainly injure Canadian trade.

Mr. WALCOTT.—With respect to clause 5, I do not think there is any doubt but that Trinidad merchants will take advantage of direct shipments as soon as we have sufficient communication.

Mr. WHITE.—I suppose that would take care of itself.

Mr. WALCOTT.—Yes, and in the meantime we should not like to be tied down to direct shipments.

Mr. ROXBURGH.—We want the direct shipments just as much as you do, but we are wondering how it will work out.

Mr. FOSTER.—I had a letter yesterday from a Barbados man going for his supplier here and the Pickford and Black Line. He expected to have certain merchandise ready for his customers on a certain day, and when that day came he was sold out. The flour which he had ordered on shipment so as to have it on that date did not arrive until fifteen days later, and he was in a deuce of a mess with his own customers, he says. He complains of the delay. But, we must absolutely change that kind of practice between ourselves and you if we want to get very much advantage out of our preference.

Mr. WALCOTT.—The conditions set forth by that man in his letter are the conditions that we are afraid of.

Mr. FOSTER.—They are not the conditions that will prevail when we get down to business. Provided we make it absolutely clear that those two clauses are permissible can we not agree to them?

Mr. CHANDLER.—You have to bear in mind that even if you have a good line of steamers, if we are tied down to sending all our sugar to you by that particular line, unless the question of freight is very carefully looked after and regulated the ship owner will take the whole of the preference in the shape of heavy freights.

Mr. FOSTER.—I do not think that either Canada or the colonies would be inclined to allow that.

Mr. CHANDLER.—If it were allowed it would simply drive our produce away from Canada.

Mr. WHITE.—The only question that bothers me with reference to this is that there is such a strong feeling here in favour of it. Your point is that while it is permissive, yet if it were in force it might mean an increase in freight rates, and would probably involve the question as to who would get the preference, whether it would be the West India people or the steamship owners.

Mr. CHANDLER.—The steamship owners might take the entire preference away.

Mr. FOSTER.—If we go to the expense of granting subsidies for an adequate service we must control the rates. There is no other way out of that. We cannot give a subsidy and at the same time allow them to put on such rates as they please.

Mr. REID (Guiana).—That is one thing we are nervous about in Demerara with regard to sending goods direct to Canada. When the St. Lawrence is closed there are not the transportation facilities in sending through Canadian ports that there are in sending via New York. If we are compelled to send goods in winter through Halifax and St. John the railway people may appropriate a certain amount of the preference by raising the freights on these goods and thus nullifying to a great extent the advantages we would get from the preference.

Mr. PORTER.—I understand it is permissive for the various colonies to avail themselves of that regulation or not just as they please, and one colony may use a Canadian port and another may not.

Mr. FOSTER.—It is absolutely permissive, but in the very permissiveness of it there may be confusion.

Dr. REID.—If one colony should make a regulation insisting on direct shipment and another colony should not, there would likely be confusion.

Mr. FOSTER.—Yes, there would.

Mr. CAMERON.—If the various colonies would make different regulations we could never arrive at uniformity.

Dr. REID.—My idea is that a regulation dealing with the question of shipments such as that would have to be uniform for all the West India colonies.

Mr. WHITE.—That would be for an agreement amongst themselves; this agreement is between us and each of them separately.

Dr. REID.—But the agreement ought to be uniform for all these colonies.

Mr. FOSTER.—It would be disadvantageous to the trade if you had one half of the colonies enacting there should be direct shipment and another half enacting that there should not be direct shipment, or if you had Canada doing it and the colonies not doing it or vice versa. It is a matter, that whenever it is done, will have to be done by common agreement and the unity of both sides.

Mr. REID (Guiana).—That is one thing we will have to do, namely, draw up a uniform set of regulations to cover the importation of preferential goods into the West Indies.

Mr. FOSTER.—Is it possible or probable that you people can agree upon a uniform set of customs regulations?

Mr. PORTER. I think so.

Mr. CHANDLER.—That is part of the recommendation of the Royal Commission.

Mr. FOSTER.—And you can agree?

Mr. CHANDLER.—Oh, yes; the delegates conversant with customs matters are going to prepare a common form of declaration of origin whether the goods are from Canada direct or whether via New York. It will be prepared and you will get a copy to see whether it will meet with your approval. We think your customs declaration of origin rather long and wordy.

Mr. REID (Guiana).—I have a draft made but it will require some further consideration and modification.



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Mr. FOSTER.—I have no doubt that Dr. Reid would be quite willing to let his officers meet your advisers and talk it over.

Mr. PORTER (Dominica).—We are very anxious that if possible the trade should be direct with Canada, but at present facilities do not exist and if I agree to this proposition now I would be exceeding my instructions. My instructions are that I should represent the fact that any reciprocal arrangement will be ineffective unless swift and cheap transportation facilities be provided between Dominica and the large centres of population in Canada. We have no direct means of communication now, but when the Pickford & Black steamers did call our exports were brought up to the maritime ports and very often held up there for very considerable periods before getting to their destination in Canada. Our exports were very much hampered because of the smallness of the quantities we had to send—we were not in all cases able to ship carloads, and this involved high rates of freight on the railways in addition to the heavy charges by the steamers. Then, on the question of the exports from Canada, it has happened that drafts for shipments coming to Dominica were presented by the bank before the goods were actually shipped from Halifax. It is also a known fact that we could import Canadian lumber into Dominica via Barbados, paying the reshipment charges from Barbados to Dominica at less than we could import it direct from Halifax, owing to the difference of freights between Halifax and Barbados and Halifax and Dominica.

Mr. AUCHINCLOSS.—I do not wish to take up further time than to say that the position of Antigua is similar to that of Dominica. The difference in freight on sugar shipped to Halifax is 5 cents per 100 lbs., and in regard to goods received via Halifax or St. John our largest baker informed me that on numerous occasions when he has had flour sent there for shipment the goods are left lying there for several weeks before he gets the order executed and the goods received. That means a very serious loss to a man doing business. He has to purchase locally and keep supplies on hand to carry him along. My instructions in this respect are as follows: In the absence of better shipping facilities the limitations contained in clauses 4 and 5 would be a serious hindrance to trade relations between Canada and the West Indies, and the restrictions should not form part of the agreement. Of course, if we had better steamship communication that would be quite another matter, as conditions would then be altered.

Mr. WHITE.—Unless we have first-class communication, unless the rates are controlled or unless there is competition, if the Dominion exercised the power given her in this clause I can quite understand the objections you gentlemen make. Of course it will be understood that the Dominion will exercise that power reasonably. But I think we can all understand it now and we can leave it over for consideration in the meantime.

## Clauses 6 and 7,—

'6. The agreement shall be subject to the approval of the Parliament of Canada and of the Legislature of the Colony of \_\_\_\_\_ and of the Secretary of State for the Colonies, and upon such approval being given it shall be brought into operation at such time as may be agreed upon between the contracting parties by a proclamation to be published in the *Canada Gazette* and in the *Official Gazette* of the Colony of \_\_\_\_\_.

'7. After this agreement shall have been in force for the period of five years it may be terminated by either party at the end of one year after the day upon which notice of such termination shall have been given by either party to the other.'

Mr. CHANDLER.—How do you read that; can you give notice before the termination of five years?

Mr. FOSTER.—The five years is positive.

Mr. CHANDLER.—It cannot be terminated before that?

Mr. FOSTER.—After five years it may be terminated by either party.

Mr. WHITE.—It seems to read that after four years had elapsed you could give notice that it would expire in five years or in the fifth year.

Mr. CHANDLER.—If when it ran for four years and three months and you gave notice would it be terminated in five years and three months?

Mr. WHITE.—I do not think that is what is intended, but that is the way it reads; it may be terminated five days after the five years if you give notice in time, but that evidently was not the intention.

Mr. FOSTER.—There is nothing to say that you cannot give notice at any time you like, but it cannot be terminated at any time less than five years.

Mr. CHANDLER.—All the larger colonies are at one that they want this made ten years. We are looking at this matter from a wide point of view, and we expect indirect benefits to accrue from it besides the trade benefits. We want Canadian capital to come down and develop our resources. We believe ten years would give stability to the trade and would induce people to put their money into enterprises down there. Some of the smaller colonies are rather afraid, some of them would want it limited as low as three years, but the big colonies are all in favour of ten years.

Mr. WHITE.—Let us hear what some of the smaller colonies have to say about it.

Mr. GRIFFITH.—Speaking for St. Vincent, I may say that we are quite satisfied with the five year term as fixed in that agreement.

Mr. FOSTER.—You would have an objection to the ten years?

Mr. CAMERON.—It is purely a matter of revenue with the smaller colonies. These communities are a little circumscribed and they see an actual positive loss of revenue, as I have already explained, and to make up the deficiency we must find some other source of revenue. We cannot raise the import revenue very much because it is already pretty high. And having lost their revenue these smaller colonies do not see any appreciable and immediate advantage to be gained from this arrangement. I think that probably St. Vincent and St. Lucia and the Leeward Island colonies would feel more comfortable in going to their legislatures in regard to this matter if it were left at five years. At the same time there is a great deal in what the larger colonies say with regard to this matter. The question of stability is most important. Of course, it is a question in which to some extent the matter of communication plays a part. If the question of communication were really established on a sound basis and one which would commend itself to all the colonies of the West Indies, that would weigh very greatly with the legislatures in considering the question of five or ten years duration for this agreement, but inasmuch as the Royal Commission recommended five years it is a matter for consideration whether it should really be added to.

Mr. REID (Guiana).—We are very anxious in British Guiana that the term of the agreement should be ten years, because we believe capital would be rather shy of flowing into the sugar industry if an agreement is made for only five years. If there was a settled market in Canada for a longer period we think that we have considerable areas which are quite suitable for cane cultivation and which would very likely be put under sugar if an agreement for ten years is entered into. British Guiana has asked me to press very strongly for a period of ten years.

Mr. WHITE.—Cannot you gentlemen get together and see what you can agree to?

Mr. REID (Guiana).—A proviso might be added saying that the agreement may be terminated after it is five years in operation, both parties consenting.

Mr. WHITE.—They could do that any way.

Mr. WALCOTT.—As far as Trinidad is concerned, I have no instructions on this particular point, but it seems to me that the length of the period will very much depend on Schedule B. I think, if Schedule B is settled satisfactorily to the colonies, Trinidad will be only too glad to join the larger islands in asking an extension to ten years for the reasons given by Dr. Chandler and Mr. Reid. It seems to me so far as the smaller islands are concerned, if Schedule B is satisfactory with respect to cocoa and fruit the benefit to them will be very considerable and they might find themselves more inclined to get into line on this clause.

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Mr. WHITE.—If the question of what we include in the schedules has any bearing upon it we had better leave that matter stand over as to the number of years duration; we will consider it later on.

Mr. AUCHINLECK.—My position is exactly what has been stated. It is purely a matter of revenue with us and we do not know where it may lead us. We are only at present producing sugar and this arrangement under existing conditions will mean a loss of from £1,500 to £2,000 a year. Therefore it is important that we should know what will be on the schedule before we consent to the period of the agreement.

Mr. CAMERON.—Undoubtedly schedule B has a great deal to do with it.

Mr. WHITE.—Some of you gentlemen said the other day that you had positive instructions with regard to the repeal of the clause giving the sugar refiners the right to import twenty per cent of their output. How many are in that position?

Mr. REID (British Guiana).—I am one.

Mr. WHITE.—I would like to try to get everything on both sides in a draft agreement and then eliminate what we do not agree upon. If we do not do that we will never finish.

Mr. CHANDLER.—I do not know what you would be inclined to do with regard to letting free cocoa in from the West Indies, and putting a small duty on foreign cocoa.

Mr. WHITE.—On that sugar question, there would have to be a clause in the agreement whereby the Canadian Government would agree to repeal the twenty per cent clause tentatively; then we would have to put in a provision that, notwithstanding anything in this agreement, the preference at present enjoyed by the beet sugar people here, should not go beyond 1914; then there would have to be a clause in the tentative agreement with regard to these five articles you have mentioned, whereby the Canadian Government would agree to put them on the free list, as far as you are concerned and impose a duty on other countries. That last proposition seems to me to be one of the most difficult propositions we have to consider. Speaking for myself, I see great difficulty in the way, but there is no harm putting them into a draft agreement tentatively so as to discuss them and see what we will do about them later. Mr. Ross of my department, and Mr. Russell and Mr. McDougald of the Customs, and representatives of your side, might take up this matter and prepare a draft agreement for us to consider.

Mr. FOSTER.—If we make up our mind that we cannot meet our friends with reference to cocoa or any other article, there would be no necessity for including it.

Mr. CHANDLER.—Speaking for the delegates generally, cocoa is the very biggest item with us.

Mr. WHITE.—My suggestion for a tentative draft agreement would not be deemed in any way to represent our conclusions on the matter; it is simply a document embracing everything that we wish to put in up to date.

Mr. FOSTER.—I do not see any objection to that. I think there will come a time when we will want to get this agreement into shape. I think we have made pretty good progress so far.

Mr. CHANDLER.—We have told you exactly what our position is, and what we want to know now is what the Government of Canada are going to put in clause 2 of the draft agreement instead of that four and a half cents per hundred pounds on sugar and what they are going to do about cocoa. On that may depend the question as to whether you will bring in Trinidad, which is the Canada of the West Indies. It is a big colony, it has enormous resources and it is growing very rapidly. It seems a pity for us to leave that colony out, because we are looking at these negotiations more or less in the same light as the Cuban and Porto Rica agreement with the United States. We do not want to spoil the imperial aspect of this arrangement by leaving out the biggest colony, by not putting a duty on foreign cocoa and leaving our cocoa on your free list. You may consider my molasses question in the best interests of us all; I am not absolutely tied to it, although it is worthy of consideration, but I do want an answer from you as to what you will put in clause 2 of this agreement. Of course, cocoa and fruit are also matters of great concern to the smaller islands.

Mr. CAMERON.—And the lime-juice is important to Dominica.

Mr. WHITE.—I have got some information on some of these questions this morning. I find that so far as cocoa beans are concerned, that we get 457,000 lbs. from the United Kingdom, 679,000 lbs. from the British West Indies, 6,500 lbs. from Belgium, 4,900 lbs. from Germany, 25,000 lbs. from Holland, 35,000 lbs. from Spain, and from the United States of America, 197,265 lbs. This is a total of 3,181,000, of which we receive from the West Indies about one-fifth.

Mr. REID (British Guiana).—The cocoa from Belgium would be West African British grown.

Mr. WALCOTT.—I understand from the evidence given by the cocoa manufacturers in Canada that they use a considerable quantity of cocoa which is not British grown. I believe that a considerable quantity of cocoa from St. Thomé comes to Canada, and in England that is regarded as a slave-grown cocoa. There is a considerable quantity of cocoa grown in Central America and in Venezuela, which is also coming to Canada in large quantities. My contention is that the British West African colonies and the British West Indies are producing to-day more cocoa than Canada will be able to handle for years. Canada's consumption now is 3,000,000 lbs., and Trinidad alone produced last year 50,000,000 lbs., Grenada produced about 14,000,000 lbs., and Dominica and St. Lucia produced quite a quantity.

Mr. WHITE.—Is there not some question raised as to the quality?

Mr. WALCOTT.—There were only two who gave evidence in Canada. Mr. J. Walter Allison, at page 64 of the evidence, says that about two-thirds of Canada's consumption of cocoa comes from the West Indies, or rather three-fifths from the West Indies and two-fifths from other sources. He says that about one-third of the cocoa used in his factory is from Ceylon, Java and Africa. He also says:—

‘The consumption of cocoa and chocolate preparations in Canada during the past ten years has increased about five hundred per cent, and is becoming an important home industry, but the imposing of a duty on any of our raw cocoa would be a serious set-back.’

I notice from your customs returns, in addition to your imports of raw cocoa, which amounted to between three million and four million pounds last year, there is a large import of manufactured cocoa from competing countries like the United Kingdom and the United States. Our point is this: that the cocoa proprietors of Trinidad feel that they are able to supply Canada with all the cocoa she wants. I omitted to mention yesterday in connection with cocoa what my instructions were from Trinidad. A committee of the Legislative Council was appointed to draw up instructions for my guidance. That committee reported and the report was passed by the Legislative Council and agreed to unanimously, and this is my instruction in connection with cocoa:—

‘5. As to (b), the Royal Commissioners in dealing with the treatment of goods which either in Canada or the West Indies are on the free list, state in section 91 of their report that “in exceptional cases, where the products of one or the other party are particularly concerned, exceptional treatment may be necessary,” and, although expressing a doubt in section 88 as to whether the creation of a preference on West Indian cocoa by the imposition of a duty in Canada on foreign cocoa would be of any substantial value to the West Indies, do not exclude this course from consideration. We submit it is essential that this article, which is the main product of the colony, should receive preferential treatment under the proposed agreement, and our reasons for so doing are as under:—

‘(1) That failing the inclusion of cocoa in the list of articles for preferential treatment, the colony will be granting a preference much in excess of that received from Canada.

‘(2) That the cocoa industry is particularly concerned, for the reason that it will have to bear equally with sugar the extra taxation which will be necessary to make good the loss of revenue caused by the preference; and

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' (3) That in view of the rapid growth in the consumption of cocoa in Canada, the Canadian market promises to become a most valuable one in the near future, and the granting of a preference on this article cannot but result in substantial benefit to the colony.'

From this you will see that the people of Trinidad look on cocoa as their main industry, and one of their principal reasons for entering into this agreement is to get a preference on cocoa in a market which undoubtedly will become a very valuable one in the future.

Dr. REID.—About what preference would you ask to be put on foreign cocoa?

Mr. WALCOTT.—Of course, I take it that would have to be very carefully considered by the Canadian representatives. What we want is a preference which will really give us the benefit of your market. I suggest something like one dollar per hundred pounds. The duty in England at present is two cents a pound or two dollars per hundred pounds.

Mr. WHITE.—And our manufacturers would claim here if we did that, that we would have to give them a protection of double that amount on the manufactured article. That touches an article of general consumption in this country.

Mr. CHANDLER.—Why double it?

Mr. WHITE.—Because in England they have decided, as I understand it, that that is about what should be done to equalize it.

Mr. REID (British Guiana).—There is a good protection in the United Kingdom; the cocoa manufacturers flourish very well under it.

Mr. WALCOTT.—What is the duty on manufactured cocoa now?

Dr. REID.—Fifteen per cent British preference and twenty per cent general.

Mr. WHITE.—Does not that enter into the manufacture of confectionery so that the confectioners would want increased protection, which would mean opening up the whole schedule?

Mr. WALCOTT.—The Trinidad cocoa in the world's markets ranks second and third.

Mr. WHITE.—I understand that our manufacturers raised a question as to the colour of your cocoa?

Mr. WALCOTT.—The Canadian consumer appears to prefer a light coloured cocoa. The Trinidad cocoa is a dark coloured cocoa and can only be used for mixing so as to meet the Canadian taste. I think you will find that fashion changes in cocoa as well as in anything else, and some years they prefer a dark cocoa and some years a light cocoa.

Dr. REID.—Cocoa beans are admitted free of duty into the United States at present and you have the United States market.

Mr. WALCOTT.—We have no objection to your taking Trinidad cocoa from the United States, but we would very much prefer you to get it direct from Trinidad.

Mr. FOSTER.—I do not suppose Trinidad would object to direct shipment of cocoa.

Mr. WALCOTT.—Oh, not at all, but it does not affect us very much so far as direct shipments go. If we had a steamship service we could always ship to Canada. Our only objection to section 5, with regard to direct imports from Canada, would be removed so long as we are not tied down.

Mr. CAMERON.—Although I have no direct instructions from St. Lucia on the matter, I have been asked to see whether something cannot be done to grant a preferential rate for this product of St. Lucia, which, of course, is smaller than Trinidad, but at the same time the industry is a very appreciable one there. The cocoa industry in St. Lucia is almost as large as the sugar industry, and the cocoa industry is growing year by year. Mr. Walcott represents the cocoa case and he has presented it to you. I join with Dr. Chandler in expressing the very earnest hope, looking to the vital aspect which this presents to the Colony of Trinidad, that it will be found possible for the Canadian representatives to give some favourable consideration to this

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point, so that when this agreement is concluded it shall be with a harmonious whole, and that all the West Indian representatives will be able to give their adhesion to it. It would be ten thousand pities that an island of the progressiveness and increasing prosperity and importance of Trinidad should, for any reason, feel herself obliged to stand aside from an agreement of this kind. I recognize fully the position in which the representative from Trinidad finds himself in this matter, and I know the views that are taken of it by the commercial body in that large island. I know there are difficulties, but I trust it may be found possible to do something in that way and thereby bring in the colony of Trinidad, and at the same time smooth the way for the representatives of the smaller colonies, when they have to submit this agreement to their legislatures and obtain their assent to it.

Mr. PORTER.—There is not much for me to say on the subject, except to associate myself entirely with the words that have fallen from Mr. Chandler and Mr. Cameron. Cocoa is one of the vital questions in Dominica. There are only two really important articles of export from our island, which are placed on Schedule B, and both of these are now on the Canadian free list. Therefore, so far as Dominica goes, the advantage to us would be nothing whatever under existing arrangements. The export of cocoa from Dominica forms about twenty-two per cent of the exports of the island, and although a large portion of that goes to the United Kingdom, we would very much like to get an entry into the Canadian market and have a large proportion of our cocoa used here. Dominica produces 1,000,000 lbs. of cocoa per annum, which is one-third of the entire Canadian consumption. I join with the other representatives in urging the imposition of a small duty on foreign cocoa coming into Canada.

The following committee was appointed to draft a provisional agreement:—

Hon. Mr. White, Canada; Mr. Walcott, Trinidad; Dr. Chandler, Barbados.

Mr. FOSTER.—What have we to say now about this lumber item.

Mr. CHANDLER.—We simply drew attention to it for the purpose of discussion. If you think it is a big looking item, and you want it there, we will let it stay.

Mr. FOSTER.—I think we do.

Mr. CHANDLER.—Then let it stay. The amendment we suggested would not make any difference to the trade, but outsiders who do not understand it might think it does. Let the item stay.

Mr. CAMERON.—All these things that come from Canada and nowhere else, if we admit them free we are losing money on them.

Mr. FOSTER.—That is so, but you must also take into account that Canada is losing something on what comes from your country. We cannot arrange these things so that the loss will be all on the one side.

Mr. CAMERON.—I do not expect that.

Mr. FOSTER.—And we have given you a preference for a great many years, and we propose to continue it. Of course, all this means a loss of revenue to us.

Mr. CHANDLER.—Well, we will let that item about the lumber stay.

Mr. FOSTER.—Now, about this question of soap, we have not concluded on that yet.

Mr. CHANDLER.—I do not see how we can ask you to strike out soap, as far as Barbados is concerned. I notice that Canada is just entering into the race for our business in soap. Most of the soap comes from the United Kingdom, but Canada last year got her nose in and began with 8,000 lbs. We got 120,000 lbs. from the United States, and I suppose you want to get that 120,000 lbs. of trade.

Mr. FOSTER.—Yes.

Mr. CHANDLER.—Although we are going to lose a tremendous lot of revenue over it, I do not see how we could fairly ask you to strike soap out.

Mr. WALCOTT.—I will make the same remark for Trinidad.

Mr. FOSTER.—Now, what is your objection to leaving in the item, 'Boots, shoes and slippers.' That is a very large industry with us.

Mr. CHANDLER.—You have not been able to reach us yet.



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Mr. FOSTER.—We would like to reach you and sell you all the boots you can use.

Mr. CHANDLER.—Last year we got £10,000 worth of boots from the United Kingdom and only £85 from Canada, while the value of boots coming from the United States to us was £6,777. There again, you have only just started in the race for our trade.

Mr. CAMERON.—In a small place like mine, we took £2,082 in boots and shoes from the United Kingdom, £2,873 from the United States, £392 from other countries, and only £75 from Canada.

Mr. FOSTER.—Our manufacturers of boots and shoes and slippers would say there is a chance for them in your market, and they would want a little preference from you.

Mr. WALCOTT.—There is very little comes to Trinidad from Canada in the way of boots and shoes, but I am quite willing to give Canada a chance in that line.

Mr. CHANDLER.—In fact we are willing to give you a good deal if you put a small duty on foreign cocoa, and if in paragraph 2 you make that four and a half cents on sugar, six and a half cents.

Mr. FOSTER.—Let me say one thing, and it is this: you are looking only at one side of it when you are expressing fear as to some loss of revenue. Now, we would not be at this thing at all, unless we thought it would be a great help towards the development of both countries, and a little loss of revenue should not weigh in the balance, on either side, against the chance which the West Indies will have for great and growing development. We must not close our eyes to the general prosperity which we hope to see stimulated throughout the West Indies and which will enable a man to say: my pocket is fuller than it was before, and I am quite willing to pay a little more. We are here as patriotic business men; I am glad to find that that is the spirit that is actuating all of us.

Mr. CHANDLER.—We all realize that we expect benefits outside of this trade agreement altogether.

Mr. FOSTER.—We in Canada are very kindly-minded towards the people of the West Indies. We do not enter into this thing solely with the object of getting some money benefit from it; we believe that by it the prosperity of both countries will be greatly enhanced.

Mr. CHANDLER.—We all appreciate that.

Mr. FOSTER.—Now, when can we get this memorandum with reference to the articles in Schedules A and B?

Mr. WHITE.—I think that Mr. Chandler and Mr. Ross of my department and Mr. McDougald could get together this afternoon and come to some agreement.

Mr. CHANDLER.—Are we to hope that arrowroot will be put on your free list?

Dr. REID.—That might interfere with the starch industry in Canada. There would seem to be no reason why a person importing that as arrowroot could not put it in packages and call it starch, and if that were done it would interfere with our starch manufacturers.

Mr. CHANDLER.—I do not think that result would follow.

Mr. FOSTER.—Now, to-morrow morning when we meet we will take up the steamship and cable matters. Probably we will only be able to deal with the cable question.

Mr. WHITE.—I wonder what we can hope to accomplish there.

Mr. FOSTER.—We can talk it over and decide what should be done. The Royal Commission was strong in pointing out to the mother country that she must not leave her children alone, that she cannot try to get out of her obligations to the people of the West Indies. Expressing my own individual view, and so far as I am concerned, I will say that Canada is quite willing to do her share towards improving both the steamship and the cable communication with the West Indies. We may, after talking the matter over, come to a conclusion as to a resolution to be passed by this conference, giving our views of the situation, and putting it in such a way as



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to convey to the British Government what we think they should do, not in detail, but as to the importance of assisting both the West Indies and Canada with regard to cable and steamship communication. It might have some influence with the British Government, which does not seem to have paid very much heed so far to the report of the Royal Commissioners. It might be well to take up the report of the commissioners in that regard if we thought it wise to do so.

Mr. WHITE.—It is a matter that we will have to consider very carefully.

The conference then adjourned until ten o'clock to-morrow, morning.

## FOURTH DAY.

OTTAWA, Wednesday, April 3.

The conference resumed its deliberations at ten o'clock this morning.

The Hon. Mr. Foster presided and all the delegates, except the Hon. Mr. White, were present.

Mr. Foster announced that Mr. White was unfortunately suffering from a severe cold, but that he hoped to be present to-morrow.

## CABLE COMMUNICATION.

Mr. FOSTER.—On the matter of steamship and cable communication, we have no special instructions. My idea is that now that we are all here, it is important that we should have an interchange of opinion upon these questions, and it may be that after our cogitations and interchange of opinions, the conference may deem it advisable to put their views in the shape of a resolution if we can agree upon one which would set forth what we think ought to be done. That might be forwarded to the Secretary of State for the Colonies, for the information of the British Government. That is the idea that has been running through my mind.

Mr. Foster then read the report of the West Indies section of the committee on cable communication. (See pp. 33-34 for this report).

Mr. FOSTER.—From this report, it would appear that if a new cable were the preferable scheme, the contribution which might possibly be available within a limited time would be about £10,300 from the West Indies alone. Then there is £8,100 given formerly by the Imperial Government to the Halifax and Bermuda Cable Company, and which was not renewed after its expiry in 1910. If that were revived it would bring it up to £18,400, which is pretty close up to the £22,500. Gentlemen, that is the report of the West Indian section of the committee. I do not think the Canadian section has yet had an opportunity of looking into the matter. I suppose if that scheme were considered a good scheme by the islands, it might be possible they could extend these subsidies a little. They would likely put on a little spurt for the sake of getting added facilities. I would like to have a little conversation on this matter amongst ourselves.

Mr. CHANDLER.—I cannot pledge the government of Barbados in any way, but I may say that at a meeting in the Commercial Hall of the Chamber of Commerce before I came away, they were very strong on this point. We used to give £2,500 a year, and the service was so unsatisfactory that they deducted £1,000 and only gave £1,500. It was impressed upon me by the Chamber of Commerce, and they would use what pressure they could on the government to the effect, that if we got a better service and a reasonable reduction as to rates, they would advocate putting back the subsidy to the original £2,500. Anyway, under those improved conditions, they would give £500 more and they might go back to the £2,500. If Demarara and Trinidad would behave in the same way, they would materially assist us.

Mr. WALCOTT.—The Trinidad Government used to give a subsidy of £6,000 a year, which was reduced to £3,000, also on account of the very unsatisfactory service. We would no doubt be in the same position as Barbados, and in the event of our getting a satisfactory service, the Trinidad Government would probably be willing to increase the subsidy.

Dr. REID.—Was it unsatisfactory on account of the rates only?

Mr. WALCOTT.—Everything; bad service, breakages in the cable, and rates.

Mr. REID (British Guiana).—The cable is breaking all the time and is nearly worn out.

Mr. CHANDLER.—And the news they sent us simply consisted of the headlines of the New York 'Herald.'

Dr. REID.—And you believe it would require a new cable?

Mr. REID (British Guiana).—I should think so.

Mr. ROXBURG.—An all-red cable.

Mr. CAMERON.—We would need a cable with branches to the smaller islands. The service is now operated by the West Indian and Panama Company. I know that the Halifax-Bermuda Company made an extension in 1898 from Bermuda to Jamaica, via Turk's Island, which resulted in an immediate reduction in the rate to three shillings per word and a half-rate for government messages. I understand that if they undertake, in the event of the withdrawal of the subsidy from the West Indian and Panama Company, by the larger islands, which constitutes the bulk of the money which is paid, and there being any difficulty about that company retaining and working its smaller connections on the smaller islands, that if any connection falls out in the smaller islands they will step in and undertake to keep it going. That, of course, is a very important consideration for the smaller islands, as it would give them cable connections. Although in some quarters wireless connection is spoken of, it can only be looked upon as a very useful auxiliary to the cable. The smaller islands would feel at a loss if they subscribed to anything which would take away from them the facilities they now enjoy of cable communications right through to each island.

Mr. FOSTER.—I suppose if there was communication with the smaller islands, the smaller islands would be quite willing to transfer their subsidies.

Mr. CAMERON.—Yes.

Mr. FOSTER.—What about British Guiana?

Mr. REID (British Guiana).—We used to give a subsidy of £4,500 per annum, and for the same reason as Trinidad and Barbados we reduced the subsidy to £3,000, which is the existing subsidy. It is quite likely the legislature would be agreeable to advance the subsidy again, in the event of a good service being given at a cheaper rate. We pay seven shillings a word now to England from British Guiana.

Mr. CAMERON.—The rates are monstrous.

Mr. FOSTER.—On the basis of the three large islands, if they gave the amounts they formerly gave, you would have a subsidy of £13,000, which would leave £9,500 to be provided to make up the £22,500. Then, if these side arrangements were made, there would be quite a little substantial addition, may be £2,000 or £3,000.

Mr. WALCOTT.—I do not think it would be quite safe to estimate that Trinidad would go back to the £6,000 subsidy. We have cut it down to £3,000.

Mr. CHANDLER.—Well, we will put you down at £5,000.

Mr. WALCOTT.—Conditions have changed since, and in estimating the probable revenue for the cable system, I do not think it would be safe to say £6,000 for Trinidad.

Mr. FOSTER.—It would be quite safe to say, I suppose, that a larger contribution would be given.

Mr. WALCOTT.—Yes.

Dr. REID.—Has Mr. Rippon made more than one proposal?

Mr. WYATT.—The other scheme is to buy out all the cables existing, but the British Government have thrown that out altogether, and we have to fall back on this other scheme then.

Mr. CAMERON.—There was a proposal that the British Government should buy out all these cables altogether, and then that a company would work them. There is a third suggestion which is in the line of a guarantee. The company would lay the

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cables and make all connections, provided that some one guaranteed a minimum return.

Mr. WYATT.—The whole information is attached to the report.

Mr. CAMERON.—There is a guarantee scheme, whereby if a certain amount were guaranteed they would undertake the work, and it would be up to the government to make good any deficiency on the guarantee. Of course, if the traffic so increased, as there is reason to expect it might, that the scheme would pay for itself, the colonies would not have to pay anything at all, but that is in the nature of a speculative proposition.

Mr. WYATT.—That guarantee scheme was considered by the four members of the committee, and after the experience of the Trinidad Dock Company guarantee, it was decided to ignore it altogether.

Mr. FOSTER.—To ignore the guarantee system?

Mr. WYATT.—Yes.

Mr. FOSTER.—What was the history of the Trinidad Dock guarantee?

Mr. WYATT.—The government guaranteed the payment of interest to the Trinidad Dock Company, and ultimately they had to take it all over.

Mr. FOSTER.—Of course it has the element of being an unknown liability. I suppose you have seen what the British Government said with reference to it. This is a despatch from the Colonial Secretary which, no doubt, your government has received:

With reference to proposals for improved telegraph communications—these proposals contemplate the acquisition by the state of several cables owned by the cable companies operating in the West Indies, the duplicating of certain cables, and the provision of wireless stations supplementing the cable system. The proposals have been very carefully considered by my expert advisers, and in the face of their adverse report I cannot avoid the conclusion that neither the present possibilities of the traffic nor the circumstances generally warrant the expenditure of the very considerable sums which would be involved in carrying out the suggestions of the Royal Commission. I propose, however, to take into consideration some smaller schemes for the gradual extension of the communication by wireless telegraphs between adjacent colonies, and for this purpose I hope it will be found possible to make use of ship to shore stations, which it is contemplated to erect on the several islands.

Mr. FOSTER.—Then there is attached to this a resolution of the Manchester Chamber of Commerce; there is a summary of the operations and results of the wireless, and there is an analysis of the Royal Commission's report. The report of the Royal Commission first dealt with the question of all the existing lines, and then there is a second proposal which throws some light on it, and which I will read:—

2. The second proposition is to lay the Bermuda, Barbados, Trinidad and Demerara cables and erect a 'Ship to Shore' wireless at Barbados, at a cost of about £250,000.

If this amount was raised by either one or all of the Imperial, Canadian and West Indian Governments, the capital cost on a 50 years' basis of say 3 per cent and 2 per cent for amortization would be £12,500.

The traffic on these lines would probably reach about 200,000 words. The rate could be fixed to meet the low capital charge of £12,500, and working expenses, &c., say about £10,200, altogether £23,000 to £25,000, and the working of the lines could be arranged for with the existing companies. In the improbable event of the revenue not reaching the above sum, the various governments could meet deficiency from existing subsidies, and if the revenue exceed expenses, the surplus could be applied to reduction of rates, wireless or other extensions, and reserves.

3. If others are to carry out the work, the cost in subsidies to the governments would be £22,500 a year for 20 years as the capital could not be raised for a West Indian cable enterprise without it. Against this sum, there is to be placed the present subsidies now paid by Barbados, Trinidad, and Demarara of £7,500; they were formerly £13,000.

There would be a fixed maximum of 3s. 2d. between the above islands and Halifax, and in all cases there would be a direct cable service with low rates for ordinary press and inter-island telegrams and a press service suited to present day requirements. The new cables would land on British territory and be placed on a suitable bed of the ocean.

The maintenance of communication to all the smaller islands by the most suitable method would be secured, whichever of the above schemes be adopted.

MR. FOSTER.—I am not an expert on this, but it seems to me to be bad business to go to work and buy out a lot of old worn-out cables, which seem to break every hour, and which would have to be practically renewed.

Several of the DELEGATES.—Hear, hear.

MR. CHANDLER.—Then, the West Indian Company are under perpetual contracts with the Cuban submarine and certain American lines which tie them up. The question, it seems to me, is if Barbados, Trinidad and British Guiana would find £11,250 out of the £22,500, whether Great Britain would find £5,625 and Canada £5,625.

MR. FOSTER.—That is a point we should place before Mr. Lloyd-George; I see he had a surplus of about \$32,000,000 this year.

MR. CHANDLER.—I am afraid the most difficult point of the whole scheme it to get that £5,625.

MR. FOSTER.—I do not see how the British Government could refuse if the Islands would put up their very best case, and if Canada would join. I do not speak at all as binding my government, but if Canada were to find herself in a position to do a certain part of it, it strikes me that you could make a very strong appeal to the British Government to come to your aid.

MR. CHANDLER.—Not the present British Government, sir.

MR. FOSTER.—Well, governments change; we have examples of that here. If our trade arrangements come to a head, and if we make a trade agreement which will necessitate constant communication between our merchants and business interests generally, there will have to be improvement in the telegraphic communications, and personally I should be very glad myself to place this matter before the Canadian Government. I think the first duty is for us to make ourselves pretty sure as to which is the better scheme. There does not seem to be much of a difference of opinion in this conference with reference to it.

MR. CHANDLER.—They are trying to get out of it by talking about this wireless. That may be all right in twenty years' time, and it is good enough now as an auxiliary service, but as to certainty, it amounts to nothing with us.

MR. REID (British Guiana).—The nearer you get to the equator the more uncertain the wireless becomes. The atmospheric changes disturb the service in some places there.

MR. CAMERON.—The experience has not at all been satisfactory; it is very uncertain.

MR. REID (British Guiana).—The cable companies do not seem to be afraid of the wireless.

DR. REID.—I see that the report says that the present cable service has been interrupted for months at a time?

MR. FOSTER.—Mr. Rippon, in his report, states that the bed on which these old cables are laid is less suitable than other places that might be selected. He says it is a very rough bottom and there are other circumstances in connection with it which puts them at a disadvantage.

## SESSIONAL PAPER No. 55

Mr. CHANDLER.—A new company would profit by the experiences of the old company and know where to avoid difficulties.

Mr. FOSTER.—Exactly.

Mr. WALCOTT.—The difficulty between Trinidad and Demarara is owing to some acid in the water which eats off the covering of the cable.

Mr. FOSTER.—Mr. Rippon's idea, with reference to that, was to lay the main body of the cable out away in a part where it is free from that, and in getting near shore where that effect is greatest, to protect the cable by modern methods. He says that difficulty can be confined to the shortest possible distance.

Mr. WYATT.—And the laying of the cable from Barbados to British Guiana, instead of from Trinidad to British Guiana, would obviate a great deal of that difficulty.

Mr. CAMERON.—In the annex to the report on cable communication, the whole position in regard to wireless up to the present date is set out in the following sentence:—

Atmospherics, jamming, and other perturbances prevented the working to such an extent as to preclude the possibility of such a station handling the traffic of a station like Jamaica. The loss of the station on the year's working was over £300. The cost and working was on the most economical plan.

Mr. FOSTER.—I understand then that the system of laying a trunk cable with subsidiary connections attached, is the one which the West India delegates consider to be the proper one. I think we cannot do any more with regard to that at the present moment. Dr. Reid and Mr. White and myself will take this report up and consider it and have something to say about it by the time we come back. In the meantime, some one of you might draft out a kind of exposé of the thing in the way it appears to you, along the lines we have just discussed. Then, it may be we can agree on this. I think we can agree anyway on the form of a resolution. I do not think we can do much more to-day, but before we meet again the Canadian representatives will take this matter up. Perhaps, Mr. Wyatt, you would think over it and draft a resolution which would set forth the views of your delegation. We will draw up a resolution, in the light it appears to us, and we may be able to compare our resolutions and get down to a common ground.

Mr. WYATT.—Our sub-committee would be in a peculiar position with regard to that until we know exactly what your views are.

Mr. FOSTER.—Very well.

## STEAMSHIP COMMUNICATION.

Mr. Griffith (Chairman of the West India Sub-Committee on Steamship Communications) handed in the following report of the sub-committee.

Mr. FOSTER read the report as follows:—

The West Indian section of the select committee appointed to report on the question of steam communication between Canada and the British West Indies regard the establishment of a suitable steam service as altogether essential for the successful maintenance and progress of a trade compact between these two places, and the drawing together of the two peoples.

2. The history of previous steam services and contracts dating from 1900 to 1910 is contained in the report of the Royal Commissioners on trade relations between Canada and the West Indies, Part XII, pp. 29 to 36.

With the general views of the commissioners as there expressed the West Indies are in substantial agreement.

3. The service as performed in the past and the class of boats employed have been very far from satisfactory, and so far as passenger traffic is concerned, have

given no stimulus whatever to increased intercommunication, while in the matter of trade facilities there have been frequent complaints.

4. At the present time the position as regards payment of any subsidy is, that the Imperial Government have discontinued the subsidy formerly contributed by them alone. The West Indian islands make no contribution save that the islands of St. Lucia and St. Vincent which were excluded from the latest itinerary, recognizing the value of the connection and desiring to preserve continuity in the hope of an early more satisfactory adjustment of the matter, agreed in September last to jointly contribute at the rate of £800 per annum to secure the call of a boat every twenty-two days giving both cargo and passenger accommodation. Such arrangement being, however, binding only up to June next, at which date the present temporary contract with the Canadian Government for continued subsidy will, it is understood, expire.

5. The subject was discussed by the West Indian representatives and their advisers during the voyage to New York, and there was full consensus that no contract would be satisfactory which did not provide for a service to be performed by vessels specially built for the trade. Such vessels should be what are known as 'tween decks' boats, capable of *maintaining* a speed of at least 11 knots throughout the voyage, of from 1,600 to 2,000 tons net tonnage, with accommodation for 30 to 36 first-class and 20 second-class passengers.

That freight rates should be under control is a *sine qua non*.

That represents the minimum requirement of the present day. As to the itinerary, what is known as the St. Vincent plan, which commended itself to the Royal Commissioners, appears to have considerable points in its favour, although it is not improbable that some modifications in connection with the duration of the calls at the large islands in view of future trade developments may be necessary. Some revision from the practical steamship running point of view may also be found expedient.

6. With regard to the amount of any subsidy that it may be requisite to provide, it is unlikely that the West India colonies could at the present time put up any appreciable sum. The larger islands are already paying very considerable subsidies for the Royal mail steam packet companies, ocean and intercolonial services, amounting in the case of Trinidad to £18,000 and British Guiana, £7,700, and Barbados £4,000, while these smaller colonies are all contributing within the full limit of their existing revenue capacity, and these obligations are an enduring quantity until at least the year 1917.

7. In the absence of any assistance, therefore, from the Imperial Government in this connection the question becomes a very difficult one, and in view of this fact and the strong representations of the Royal Commissioners on this subject (vide paragraphs 155 and 160 of their report) it can but be hoped that the latest decision is open to consideration.

8. It may be well to mention that Mr. A. H. Harris, of the Canadian Pacific railway, at a meeting of the committee of the representatives unfolded a project for the establishment of a first-class steamship service between Canada and the West Indies, including *inter alia*, due provision for passengers, mails and cargo, with guaranteed minimum ocean and railway rates, and with further tonnage to lift any surplus cargo. Provided that details were satisfactorily drawn up on the lines set out by Mr. Harris and secured, the proposal appears to open up a wider prospect of advantage to both Canada and the West Indies than has yet been presented.

FRANCIS W. GRIFFITH,  
*Chairman,*

EDWARD J. CAMERON,  
H. B. WALCOTT,  
JNO. J. COMACHO



## SESSIONAL PAPER No. 55

Mr. FOSTER.—There are some points with reference to that, which, while the West India delegates are here, we might have a little conversation about.

Mr. GRIFFITH.—There is one point I would emphasize, viz., the size and the speed of the boats is based on our present and immediate requirements, but as soon as the agreement which we may come to here takes effect, and our trade is improved, we expect that boats of larger size will be necessary. The proposals in our report are based upon our immediate needs at the present time.

Mr. FOSTER.—You set out in this report that the vessels should have a tonnage of 1,600 tons to 2,000 tons.

Mr. GRIFFITH.—That is the net tonnage; they would carry about 4,000 tons dead weight.

Mr. FOSTER.—How do they compare with the cargo boats running from New York?

Mr. WALCOTT.—The Royal Dutch Mail Line boats call at Trinidad and Barbados. They have been specially built for the service, specially ventilated, and have very excellent passenger accommodation. We thought that boats of that size and class would be, at any rate for the present, most suitable for the service.

Mr. FOSTER.—And the tonnage mentioned here compares with the tonnage of these vessels.

Mr. WALCOTT.—Yes. In the event of their being such a service as that, the effect of our agreement will be the immediate transfer to Canada of a large part of the flour coming to the West Indies. Eventually, we will require a much larger boat than one of 1,500 or 2,000 tons. The Trinidad Shipping and Trading Company's steamers bring most of the foodstuffs to Trinidad, and they come with large cargoes to Grenada and Trinidad. They run from New York. They come down three time a month and they come with full cargoes each time, Trinidad taking on some occasions as many as 25,000 packages.

Mr. FOSTER.—And they have good passenger accommodation?

Mr. WALCOTT.—The passenger accommodation is not as good as the passenger accommodation on the Royal Dutch Line.

Mr. CAMERON.—They are not as large boats as the Dutch mail boats.

Mr. WALCOTT.—They only deal with Grenada and Trinidad, but it is contemplated that the boats proposed for us would deal with the other colonies.

Mr. GRIFFITH.—The Danish line has bigger boats but they have little passenger accommodation. They carry about 4,000 tons in dead weight. The Danish West India line have boats of 1,600 tons net register, from 3,300 to 3,500 tons dead weight.

Mr. CHANDLER.—My Chamber of Commerce say that the Scrutton ships and the Danish ships have been eminently satisfactory. They were built for the trade and they carry cargo in an eminently satisfactory way as compared with the Halifax steamers. On all hands the fact is impressed that the steamers must be specially built for this trade. These boats carry only three tiers of puncheons or so between decks and in that way they are able to carry their cargoes much more safely than the Halifax steamers.

Mr. FOSTER.—That is what you mean by the between-deck system.

Mr. CHANDLER.—Yes.

Mr. GRIFFITH.—In the other steamers the puncheons are loaded one on top of the other and they are liable to be damaged.

Mr. FOSTER.—I notice that you only provide for eleven-knot steamers and there is an idea here amongst a good many of our people that eleven knots is too slow.

Mr. CHANDLER.—We only put that limit in for economy sake. That, of course, is the minimum rate. We are afraid, if we made the steamers faster at the present time, it would involve a large amount of money.

Mr. FOSTER.—Yes; of course the cost increases greatly after you get above ten or eleven knots.

Dr. REID.—What is the speed of the Quebec steamers from New York to Bermuda?

Mr. COMACHO.—The *Bermudian* is fifteen knots and I believe the *Guiana* is fourteen knots. There is a regular line of cargo steamers which goes at from ten to twelve knots.

Mr. GRIFFITH.—The Royal Dutch steamers do from thirteen knots to thirteen and a half knots in good weather.

Mr. FOSTER.—I would like to have the opinion of the gentlemen from the West Indies as to another possibility that is spoken of. The chairman of the committee speaks in his report of the St. Vincent plan. Is it possible to have what is called an intercolonial service; that is to make our line a trunk line service to distribute from one central point in the West Indies to the smaller islands? That, of course, would avoid the delay of interminable calls and give to the larger islands a very much quicker service, and a much better service. Could not the freight going to the smaller islands be taken care of by a smaller steamer. That point has been urged by a good many people as a good scheme on paper, but whether it could be carried out in practice is another thing.

Mr. GRIFFITH.—It is a perfectly possible scheme and a perfectly good scheme, but the drawback to it is the increased handling of the goods. The goods shipped from Canada to the West Indies, under that proposal, would have to be transhipped at say Trinidad or Barbados into an auxiliary steamer. The increased cost of handling would, of course, increase the cost of freight to a certain extent. The process of handling would also result in considerable damage being done at times to the goods that are in transit. I do not consider there is any insuperable difficulty in that respect and I should think that the scheme would be a perfectly practicable one. It is a scheme that is in practice at present by the Royal Mail Steam Packet Company, which brings goods from all parts of Europe, picking them up at Southampton and transhipping them at Trinidad for British Guiana and the other islands.

Mr. COMACHO.—The objection of the smaller islands would be to the transhipping of the cargo. The class of cargo handled by the Royal Mail steamers is of a different class from that which would be handled between the West Indies and Canada. We would ship sugar in bags to Canada, and the more you handle them the more they get torn and leak. There is considerable objection to that in the smaller islands. Cargo coming to us from Canada would be lumber, for instance, and the more it is thrown about and handled the more damage is done to the boards and planks. Even now, some of this cargo is landed in bad condition, although it comes direct. Then, with regard to molasses, I do not know how you would tranship the molasses. That would be a very difficult question and the shippers would growl a good deal about it.

Mr. FOSTER.—I asked my department to give me a statement as to the subsidies we pay, and I find it to be as follows:—

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## WEST INDIES STEAMSHIP SUBSIDIES.

STATEMENT showing amounts paid on account of steamship subsidies to Cuba, Jamaica and the West Indies, from the fiscal year 1889-90 to 1911-12, inclusive.

Fiscal Years.	Cuba.	Jamaica.	West Indies and Paid by Canada.	Demerara Paid by Great Britain.	Total.	Grand Totals.
	§ cts.	§ cts.	§ cts.	§ cts.	§ cts.	§ cts.
1889-90.....		14,350 00	35,000 00		35,000 00	49,350 00
1890-1.....	19,999 99	15,000 00	38,350 00		38,450 00	73,449 99
1891-2.....	20,000 00	15,000 00	60,000 00		60,000 00	95,000 00
1892-3.....	18,333 33	13,750 00	65,000 00		65,000 00	97,083 33
1893-4.....	21,666 66	15,000 00	60,000 00		60,000 00	96,666 66
1894-5.....		15,000 00	62,000 00		62,000 00	97,000 00
1895-6.....		15,000 00	65,000 00		65,000 00	80,000 00
1896-7.....		15,000 00	63,000 00		63,000 00	78,000 00
1897-8.....		15,000 00	63,000 00		63,000 00	78,000 00
1898-9.....		15,000 00	63,000 00		63,000 00	78,000 00
1899-1900.....		15,000 00	63,000 00		63,000 00	78,000 00
1900-1.....		15,000 00	67,700 00	65,700 00	131,400 00	146,400 00
1901-2.....		14,500 00	64,331 25	64,301 25	128,632 50	143,162 50
1902-3.....		13,800 00	65,700 00	65,700 00	131,400 00	145,200 00
1903-4.....		13,800 00	65,700 00	65,700 00	131,400 00	145,200 00
1904-5.....		13,800 00	65,700 00	65,700 00	131,400 00	145,200 00
1905-6.....		13,8 0 00	65,700 00	65,700 00	131,400 00	145,200 00
1906-7 (9 mos.).....		10,350 00	48,011 54	48,011 54	96,023 08	106,363 08
1907-8.....		13,800 00	63,510 00	63,510 00	127,020 00	140,820 00
1908-9.....		13,800 00	65,700 00	65,700 00	131,400 00	145,200 00
1909-10.....		13,800 00	65,700 00	65,700 00	131,400 00	145,200 00
1910-11.....	29,166 66		65,700 00	65,700 00	131,400 00	145,200 00
1911-12 to Feb. 28....	16,666 64		60,225 00	16,425 09	76,650 00	93,316 64
	145,833 28	299,550 00	1,399,127 79	717,877 79	2,117,005 58	2,562,388 86

Department of Trade and Commerce,  
March 27, 1912.

Mr. FOSTER.—It will be seen from this return, that the Demerara service, so-called, has had a lot of money expended on it, and it has been in very many respects a very difficult service. Whether the management has been all that it should be or not is a question, but the class of boats has not been satisfactory to ourselves and do not appear to have been very satisfactory to the people of the island. Yet the total expenditure amounts to a pretty large sum. It seems to me, from what consideration I have been able to give it, that for this service we need to put a stopper on all old vessels.

SEVERAL OF THE DELEGATES.—Hear, hear.

Mr. FOSTER.—It seems to me that we must actually build the vessels for the West India service and for that alone. Then, we want vessels that if possible can make a fifteen knot speed, and certainly a minimum speed of eleven knots is not too much to ask for a service which will be useful. Then, you want passenger accommodation with all the comfort and convenience of modern travel to cater for that trade. And, what seems to have been lacking in the past is a connection at both ends between the steamship and the commercial people from the centres of collection and distribution of the traffic. The service was there on the ocean, and the railway lines had nothing particular to do with it, and there has been great trouble in connecting the collecting centres in our own country with the consumers in the West Indies and difficulty in getting things to the West Indies as quickly as possible and as uniformly as possible. Then, the subject comes up of what seems to be almost necessary to my mind in that respect, and that is that we should have warehouses or depots at specific ports. Canada is a large country with long distances, and if a merchant down in the West Indies

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telegraphs up for 100 barrels of flour, when the telegram gets to his agent it has to be sent to the manufacturer or the producer, and then there has to be talk backwards and forwards over long distances and time is taken up, there is delay and loss. I think the United States trade gains a great deal from the fact that it has its depot of supplies and that you can send on your order from the West Indies there and get back your goods quickly. From what has been said, I think there is a good deal in the argument that if we have direct communications, if the line of our trade runs on direct shipments, that it will have the direct effect of transferring a number of the New York houses that deal largely with Canadian goods, to Halifax, or Montreal, or St. John, and it will have also the effect may be of influencing our own people to go into that business at these places. Of course, that all makes a programme that is pretty ambitious and requires money to carry out. It is undoubtedly for the mutual advantage of Canada and the West Indies, and of course we would feel glad if we could have co-operation in the matter of steamship communication as well as in other respects. In this respect, you do not hold out much hope for any financial assistance at present.

Mr. CHANDLER.—Not immediately. We are paying a large subsidy to the Royal Mail until 1917.

Mr. FOSTER.—There is an ambitious scheme also, which does not look so improbable, when you come to go into the details, and that is as to whether or not the West Indies could not have a connection with the old country, via Canada, which could be so developed that with the proper kind of steamships to cross the Atlantic and proper steamers between the West India islands via Halifax or St. John, such a scheme might work out satisfactorily. We have vessels now which run across the Atlantic at eighteen knots and they make a pretty good passage. We probably will have vessels in the course of a few years which will make the passage at twenty knots. I think there is no doubt in the world but that in a few years we will have twenty knot vessels running between Canada and the motherland. If we get fifteen knot vessels between the West Indies and Canada, then the establishment of a connection between the West Indies, Canada and the old country does not look so improbable. If a satisfactory service could be arranged in that way it might divert a certain amount of the help which is now expended on these other services, and which Great Britain also expends on them, towards the establishment of a quick route by way of Canada, and thus we would be killing two birds with the one stone. Some of our large interests are quite in favour of a scheme of that kind and quite think that it could be carried out. Whether you people in the West Indies, who for a long time have had a certain route of communication with the old country, would be disposed to fall in with that idea is another thing, and I suppose you would not want to do it unless you got a real advantage from it. Of course, it is well understood that we are not going against our loyalty should we change our service in that respect, because we are all loyal and we are all British and we are all working in one with the other. The only point remaining then is to see if we could get as good a service that way as we can on the whole, and it seems to me that the tendency would be in that direction rather than in the other. These are all good things to think about and to talk about, but it remains for practical men to put them into effect.

Dr. REID.—Has Mr. Harris made any proposition for any new boats on the West India route?

Mr. WALCOTT.—I understood Mr. Harris to say that if they put on a line to the West Indies they would put on new boats specially built for the trade.

Dr. REID.—Making how many trips?

Mr. WALCOTT.—He suggested a ten day service.

Dr. REID.—How speedy would these boats be?

Mr. WALCOTT.—The boats he suggested would be boats of 5,000 or 6,000 tons and fourteen or fifteen knots speed. Then, he would put on first-class steamers to connect with the smaller islands.

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Dr. REID.—Did he say what subsidy he wanted?

Mr. WALCOTT.—He did not go into that and did not make any proposition as to that. His idea was that in addition to going down to the West Indies he would stop at Boston so as to take up passengers there and run to Barbados, Trinidad and Demerara.

Dr. REID.—Was his idea to run from Halifax to Boston?

Mr. WALCOTT.—Yes, his idea was to call at Boston on the way down and the way back so as to take up tourists.

Dr. REID.—And they would be new steamers?

Mr. WALCOTT.—Yes. All the lines running to the West Indies have found it necessary to build special boats for the trade. They are now all building their boats suitable for tropical service.

Dr. REID.—How many boats would it take to make a ten days' service?

Mr. WALCOTT.—Three boats at least, and then there would have to be a special boat in the West Indies to serve the smaller islands; there would be an intercolonial boat.

Mr. CAMERON.—That idea is on the trunk line basis.

Mr. WALCOTT.—The Royal Mail steamers come to Barbados and then go to Trinidad. They are met there by two intercolonial boats, one to the Leeward and Windward Islands and another to Demerara, while the main boat goes on to Jamaica.

Dr. REID.—That seems to be a good service.

Mr. WALCOTT.—It is a very excellent service. In reply to Mr. Comacho, I do not think there would be much difficulty in transferring Canadian cargo. We do a considerable amount of transferring of American cargo for Venezuela. It is transhipped in Trinidad, stored in the customs warehouse and carefully handled, and very little is lost so far as the American stuff goes. I admit, however, that there would be considerable difficulty in transferring molasses and sugar from the intercolonial boat to the trunk line boat.

Dr. REID.—The objection to that would be that we would be subsidizing a line of steamers that would call at Boston.

Mr. WALCOTT.—Of course, Mr. Harris' idea was that in addition to getting the Canadian passenger traffic he would also get the American tourist traffic to the West Indies, and that would be a great benefit to the West Indies.

Dr. REID.—But it might divert trade to American channels.

Mr. WALCOTT.—Oh, no, there would be no cargo taken on or put off at Boston.

Mr. FOSTER.—His idea would be to get some of the passenger traffic which now goes via Boston or New York.

Dr. REID.—And you would prevent him taking cargo there.

Mr. FOSTER.—He would be prevented under any contract that might be made.

Mr. CAMERON.—The idea of Mr. Harris is to advertise the West Indies very extensively if his company took the matter up.

Dr. REID.—Oh, that would be all right; the only difficulty I had in my mind was as to him taking cargo on at Boston.

Mr. CAMERON.—That would be ruled out; it would be only a passenger call.

Dr. REID.—And they could not carry freight from the West Indies to Boston.

Mr. CAMERON.—Not if the contract said they could not.

Mr. WALCOTT.—He says he would require a subsidy sufficient to cover the insurance on the vessels.

Dr. REID.—How much?

Mr. WALCOTT.—About from £20,000 to £25,000 from the West Indies.

Mr. GRIFFITH.—That is in addition to the sum he would expect from Canada.

Mr. FOSTER.—I understand he also raised another point in connection with that, and it is that in the winter season, for fruit, and banana shipments especially, intended for the Canadian market, they should be taken via a United States port, owing to the rigours of our winter climate. But the main point was that he should

be allowed to go to Boston to take up passengers. The idea, of course, is to put on a service which will carry as many people and as much traffic as possible to and fro, between the two countries. It is, of course, materially in the interests of the finances of a steamboat company to take up as many passengers as possible, and it may be a point for both of us to consider as to whether that should not be allowable for a certain number of years. That is a matter of detail, however.

Mr. GRIFFITH.—I do not think there would be any objection on the part of the West Indies to boats running to Boston. It would give the passengers a quick means of transit between the United States and the West Indies generally.

Dr. REID.—I think it might have the effect of preventing any passenger traffic between Halifax and England, from the West Indies. If they were landed at Boston they would take the steamer from there or go on to New York.

Mr. CAMERON.—It would offer an inducement for people to come to the West Indies by these steamers. In the case of passengers from the interior of Canada even, it would enable them to go to Boston and avoid the extra distance and the rough sea. It would be an additional incentive to passengers to take the journey to the West Indies.

Dr. REID.—Of course, the passengers would not go to Halifax, nor would they take a steamer from Montreal to the West Indies, but I am afraid the Halifax people would object a little to that proposal.

Mr. FOSTER.—That is merely a matter of detail.

Mr. CAMERON.—One of Mr. Harris' suggestions was that there might be additional cargo steamers to lift any surplus cargo. I do not know whether he could in any way put on something that would obviate this particular sugar and molasses freight difficulty. Of course, steamers of the kind he speaks about have the great advantage of having an immense corporation advertising the advantages of the West Indies, which would be of enormous benefit to us; a much greater benefit than anything that has ever yet been undertaken.

Mr. GRIFFITH.—And that line of steamers would be in touch with the Canadian railway systems.

Dr. REID.—Of course, the Canadian Pacific Railway Company would advertise you all through Canada, and all their agents all over the country would be working up trade between Canada and the West Indies.

Mr. CAMERON.—There are enormous possibilities for the West Indies in an arrangement of that kind. I believe it would have the effect of developing trade in a manner that is not possible at present.

Mr. FOSTER.—I suppose we had better leave this, as we left the cable and telegraph matter; we will think it over and when we meet again if we can form any resolution which will state our views we can submit it for the consideration of our respective governments.

Mr. CHANDLER.—If the West Indies are willing to pay anything at all, they would be willing to pay it to induce an organization such as the Canadian Pacific Railway to come to the West Indies. Everybody would recognize the fact that it was of enormous importance to be dealing with a concern that if it dropped a few thousand dollars a year it would not make any difference to them, instead of dealing with a concern to whom the loss of a few thousand dollars a year would make an enormous difference.

Mr. FOSTER.—That would be an ideal system if you could get it under proper control. It would be a great thing to have such an organization interested in the West Indies; it would stimulate everything down there. It certainly would stimulate the tourist traffic. Very few of our people now go to the West Indies, whereas a great many would go down if the advantages of such a trip were advertised.

The conference adjourned until to-morrow.



## FIFTH DAY.

OTTAWA, Thursday, April 4, 1912.

The conference resumed its deliberations this morning.

Hon. George E. Foster presided.

All the other members of the conference were in attendance.

Mr. FOSTER.—I think this morning we are ready to take up the agreement. The Canadian members of the conference have had an opportunity of looking over the matter, and we are about prepared, I think, to come to a conclusion.

Mr. PORTER.—I understood yesterday that the delegates were prepared to put in memoranda explaining their reasons with regard to their request in reference to certain articles. It seems that one comprehensive memorandum was put in by Mr. Reid.

Mr. FOSTER.—We understand that covered all the ground.

Mr. PORTER.—I have prepared a memorandum which I would like to put in, explaining the position of Dominica, which is exceptional. It comes in the category referred to in paragraph 91 of the Royal Commission's report.

Mr. FOSTER.—We will now consider the draft agreement, which we have arrived at, as amended. We have taken paragraphs 1 and 2 of the first agreement as they were at first. We have taken the first part of paragraph 2 and marked it 'A,' and then we have added the first proviso as 'B' and the second proviso as 'C,' with paragraphs 1, 2 and 3 added to proviso 'C.' It then reads as before us:

On all dutiable goods enumerated in schedule B, being the produce or manufacture of the Colony of \_\_\_\_\_, imported into the Dominion of Canada, the duties of customs shall not at any time be more than four-fifths of the duties imposed on similar goods when imported from any foreign country; provided that on raw sugar not above No. 16 Dutch standard, in colour, and molasses testing over 56 degrees, and not over 75 degrees by the polariscope, the preference in favour of the colony shall not at any time be less than 4½ cents per 100 lbs., and for each additional degree over 75 degrees the preference shall not be less than ½ cent per 100 lbs.

With regard to 3 of (c) we propose that it should stop at the words 'ten per centum ad valorem.' Then we have added sub-clause (d), which reads as follows:—

The Government of Canada will not recommend, during the continuance of this agreement, to the consideration of the Parliament of Canada any extension of the time fixed by chapter 10 of the Acts of the Parliament of Canada, 1909, to wit, December 31, 1914, for the expiry of the operation of tariff item 135b.

Paragraphs 3 and 4 remain as they were. Paragraph 5 we have amended, by adding after the word 'colonies' on the second last line the words 'entitled to the advantages of,' so that it now reads:—

The Government of Canada may provide that, to be entitled to the concessions granted in section 2, the products of the Colony of \_\_\_\_\_ shall be conveyed by ship direct without transshipment from the said colony or from one of the other colonies entitled to the advantages of this agreement into a sea or river port of Canada.



Then I find here the following proviso with respect to the rates:—

Provided always, that the discretion herein granted to the Government of Canada shall not be exercised unless and until the Government of Canada has arranged and stipulated that, during such time as the St. Lawrence river is closed to navigation and access to the port of Montreal by ship or vessel is prevented, the rates of freight upon the transport of the goods enumerated in schedules B and C from such colony to the city of Montreal by way of a sea port of Canada shall not be greater than the normal rates of freight upon the like goods from the said colonies to the city of Montreal by any other route.

Mr. FOSTER.—We find it difficult to accede to that. We will discuss it when we come to it. Paragraphs 6 and 7 remain as they were before, for the present, but there may be a suggestion with reference to the term of the continuance of the agreement, in paragraph 7.

Now, in Schedule A, we are going to ask you to consider two things, and one is about the biscuit business. We would like very much to delete the words 'not sweetened' so as to allow our biscuits of all kinds to go in to the West Indies. Then, we are going to submit to you another item, namely, 'Linseed oil-cake, and linseed oil-cake meal,' for insertion in Schedule A. There is another point I want to submit to you on the item, 'House, office, cabinet, store furniture.' The question has been raised as to whether cash registers would come under that discrimination, as office furniture. We have some firms which are very largely going into the manufacture of cash registers, and I had a request from them that if possible they should be included. It might be subject to a little dispute as to whether cash registers would be considered office furniture. I submit that to your consideration.

In Schedule B, we have made a number of additions to that, as you will see by looking over your list. Then we have erected a new schedule in C to provide for cocoa beans and lime-juice in the line of the requests that have been made to us. I must say that we were very much impressed by Mr. Walcott's argument, and very much moved to sympathy with him and the cocoa trade in Trinidad as well as in Dominica, Grenada and St. Lucia, and we thought that by Schedule C we could grant some relief to that situation. We might as well go over this revised draft agreement and see if we cannot agree.

The first section is:—

1. On all dutiable goods, enumerated in Schedule A, being the produce or manufacture of Canada, imported into the Colony of \_\_\_\_\_ the duties of customs shall not at any time be more than four-fifths of the duties imposed in the colony on similar goods when imported from any foreign country: Provided that on flour the preference in favour of Canada shall not at any time be less than 12 cents per 100 lbs.

This section was agreed to.

Section 2 of the agreement:—

2. (a) On all dutiable goods enumerated in Schedule B, being the produce or manufacture of the Colony of \_\_\_\_\_ imported into the Dominion of Canada, the duties of customs shall not at any time be more than four-fifths of the duties imposed on similar goods when imported from any foreign country; provided that on raw sugar not above No. 16 Dutch standard, in colour, and molasses testing over 56 degrees and not over 75 degrees by the polariscope, the preference in favour of the colony shall not at any time be less than 4½ cents per 100 lbs., and for each additional degree over 75 degrees the preference shall not be less than ½ cent per 100 lbs.

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(b) On all goods enumerated in Schedule C hereto being the produce or manufacture of the Colony of \_\_\_\_\_ imported into the Dominion of Canada there shall be no duties of customs; but on the like goods, when imported from any foreign country, the duties of customs shall not be less than those therein set out.

Mr. FOSTER.—After having very carefully talked this matter over, the representatives of Canada have come to the conclusion that it is desirable to keep as nearly as possible to the report of the Royal Commission in respect to the items of sugar duty, and we are fortified somewhat on that by having the matter looked into by a competent commission representing both countries with large opportunities, not only for taking evidence but also for forming an opinion for themselves. The fact that this has been before the public and others interested for some two years and has been, so far as I can see, pretty generally acceded to in principle, and that so far as I am aware no protests have come to us from any interests in the Dominion of Canada, makes the position with regard to that all the stronger. We are also somewhat political in our country, and the recommendation of the commission is made still stronger to us in that two members of that commission were members of the Canadian Government, and commanded the support of the Liberal party, which is one of the great political parties of our country. As far as possible, we want to keep this entirely non-contentious, and we think in reference to this matter that their recommendation should not be overlooked. I know that Mr. Chandler puts his case very carefully and very strongly, but I am sorry that we cannot at present see our way clear to go beyond the figures which are fixed in that section 2.

Mr. CHANDLER.—There is, I suppose, no use wasting any more time over it, but of course my contention is that the source from which these figures emanated never considered the claims of muscavado 89 degrees at all. The commission was thinking of and dealing solely with 96 degrees crystals, and the muscavado industry was never thought of by the commission or by anybody else. I believe that while fifteen cents for 96 test sugar is sufficient to direct the sugar this way, yet when it comes to muscavado they left it at eleven and a half, and from their own showing, with the difference of freight which they put down at nine or ten cents, the theory is that with regard to Barbados sugar some of it will find its way into the United States market. I was only pressing for a cent and a half more on a fixed amount, which would give muscavado a little bit of a lift as compared with 96 test sugar. Eleven and a half cents with the difference of freight between the two countries means very little margin. I suppose you could not lift one without lifting the other; if you lift us a cent and a half you would have to lift the other.

Mr. FOSTER.—We have to stand against pretty strong pressure on that.

Mr. WHITE.—The British Columbia refiners especially.

Mr. FOSTER.—Our refiners go on the principle, which they take as a piece of gospel truth, whether it is or not, that you people in the West Indies get all the preference.

Mr. WHITE.—If we are to repeal that twenty per cent provision, the British Columbia refiners will be deprived of that.

Mr. CHANDLER.—Fiji has jumped from twenty-six thousand tons to sixty-eight thousand tons, and in a very short time it will be 100,000 tons, which will fill all the requirements of British Columbia, because British Columbia is now only taking 50,000 tons.

Mr. WHITE.—I think these people have interests in Java.

Mr. FOSTER.—There is a complication of interests out there.

Mr. CHANDLER.—Fiji is able to supply all the wants of British Columbia. The capitalists are spending a lot of money in Fiji, and in a short time there will be 100,000 tons coming from that place.

Mr. FOSTER.—We have difficulty, on account of contracts that have been entered into, for sugar from Java.

Mr. CHANDLER.—But that is only a temporary condition.

Mr. ROXBURGH.—I cannot say how sorry I am about this. St. Kitts is at present almost entirely muscovado-sugar producing, and the difficulty which your government finds in meeting our wishes to increase the preference on muscovado is a rather serious thing for us. Of course, we appreciate your difficulty and we know you are willing to do whatever you possibly can for us, but it is perhaps right, with my instructions in my hand, that I should express my regret, my very great regret, that nothing better can be done for us.

Mr. AUCHINLECK.—Antigua is in a similar position to St. Kitts. We hope eventually to get out of the mire of muscovado, but in the meantime our people will suffer in the same way as the people of St. Kitts.

Mr. FOSTER.—There is the point that muscovado is a diminishing and not an increasing production, and there is also the point that we hope to have adequate steamship communications which will meet to some extent the conditions of the trade in muscovado, and improve them.

Mr. CHANDLER.—I hope so, because the freight difference is the real trouble.

Mr. ROXBURGH.—That will make all the difference in the world.

Mr. CHANDLER.—The real trouble is the freight, as there is a difference of nine cents in favour of New York, and against Canada, now, even by water. The freight to Montreal now by steamer is twenty cents, and the freight on all the steamers to New York is eleven cents. That, of course, makes a great difference. Even when the St. Lawrence is open there is a difference of nine cents, and when you come down to eleven and a half cents preference, if a man at New York wants sugar he will give the difference and get that sugar.

Mr. FOSTER.—We acknowledge your strong advocacy and you have put your case very well, but we are sorry we cannot comply.

Mr. CHANDLER.—Then there is no use wasting time. As I acknowledged frankly at the beginning, my instructions were not to object to these figures and I am simply doing the best I can. I feel, however, there is a grievance for Barbados muscovado,

Mr. REID (British Guiana).—It does not follow that the general rate in the tariff will be depressed so as to give us only the minimum as laid down in the agreement.

Mr. FOSTER.—That does not follow. We have not shown ourselves niggardly in that respect at all.

First portion of clause 2 agreed to.

Sub-clause 2 of clause *b* agreed to, as follows:—

On all goods enumerated in Schedule C hereto, being the produce or manufacture of the colony of \_\_\_\_\_ imported into the Dominion of Canada there shall be no duties of customs; but on the like goods, when imported from any foreign country, the duties of customs shall not be less than those therein set out.

(*c*) The Act of the Parliament of Canada, entitled, 'An Act respecting duties of Customs,' assented to on the 12th day of April, 1907, as amended by chapter 10 of the Acts of the Parliament of Canada, 1909, shall, in addition to the amendments necessary to give effect to the foregoing provisions of this section, be amended as follows:—

- (1) tariff item 135*c* to be repealed;
  - (2) tariff item 137*a* to be repealed;
  - (3) so as to provide that upon arrowroot, the produce of the said colony imported into the Dominion of Canada, the duties of customs shall not exceed 10 per centum ad valorem; and that upon arrowroot imported from any foreign country the duties of customs shall not be less than 17½ per centum ad valorem.
- The main clause (*c*) was agreed to, and sub-clauses 1 and 2.

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In reference to sub-clause 3.

Mr. FOSTER.—We do not like to put that in. It places too many difficulties in the way of general legislation which we are very loath to give up any more than is absolutely necessary. We have a large number of countries to deal with, and it might be that in the course of legislation we would some time want to deal with the duties and we would not like to be tied up in this way. I do not see any particular thing on the horizon now that would make us vary the present rate of duty of 17½ per cent and I do not suppose such a case will occur.

Mr. CHANDLER.—You have made fifteen into ten in favour of St. Vincent.

Mr. FOSTER.—Yes.

Mr. GRIFFITH.—Am I to understand it is not possible to look on arrowroot as one of the items that you will place in Schedule C? Our request was that St. Vincent arrowroot should be placed on Schedule C. Can we not come under that heading?

Mr. WHITE.—As I understand it, it may get confused with starch.

Mr. GRIFFITH.—They have to buy from us and send it to England and send it back here again to Canada. There are 600 barrels produced in Bermuda as against 30,000 barrels which can be produced in the West Indies.

Mr. WHITE.—Yes, but Mr. McDougald seems to think that arrowroot is in such a category as to be liable to be confused with starch.

Mr. REID (British Guiana).—Your chemists would be able to distinguish it from starch.

Mr. WHITE.—As I understand it there is a possibility of confusion.

Mr. GRIFFITH.—Surely you can have a certificate of origin and identification in the same way as with respect to sugar. Arrowroot is totally distinct in every way from any other starch. It is quite different even from cassava starch, which is also starch and which is not used for the same purposes.

Mr. CHANDLER.—St. Vincent is the one place that arrowroot comes from, and if it is entered from anywhere else than St. Vincent it would create suspicion at once. You can make customs inspection regulations to overcome that difficulty.

Dr. REID.—And if you put it on the free list others will have to be admitted too.

Mr. CHANDLER.—But St. Vincent is practically the only place in the world it comes from.

Mr. GRIFFITH.—I submit that it would be quite practicable to obtain a certificate of origin for all arrowroot that comes into Canada. I do not want arrowroot admitted into the Dominion at the rate we ask for, unless we are able to prove that it comes from the place we send it from.

Mr. FOSTER.—We will leave that stand until Mr. McDougald is present.

The conference then took up consideration of sub-paragraph (d) of paragraph 2, which reads:—

(d) The Government of Canada will not recommend, during the continuance of this agreement, to the consideration of the Parliament of Canada any extension of the time fixed by chapter 10 of the Acts of the Parliament of Canada, 1909, to wit, December 31, 1914, for the expiry of the operation of tariff item 135*b*.

Mr. FOSTER.—That is a pretty drastic form to put it in.

Mr. WHITE.—I do not like the wording of that. I think it would be better if it read:—

Nothing herein contained shall affect the operation of Canadian tariff item 135*b* until after the date of its expiry, December 31, 1914.

Mr. CHANDLER.—The other form gives us a distinct promise and this does not.

Mr. WHITE.—Let us see how that would work out. My idea is that if we did not mention this particular tariff item at all, and we entered into this agreement, in

order to keep our covenants under this agreement we would have to introduce legislation to repeal it at once. As this agreement stands, you are to have under clause 2 (a) on all dutiable goods enumerated in Schedule B a preference in your favour. What we do is this: we are making that subject to the provision of the tariff until it expires in 1914, and it seems to me that the instant it expires this agreement governs.

Mr. CHANDLER.—Provided you do not give effect to similar legislation on similar lines.

Mr. WHITE.—Would we not be prevented by this agreement from doing so?

Mr. CHANDLER.—That is a point on which we have some doubt. This in its present form was drafted in your department, and the words are much stronger than the words I suggested. I think myself it is a little rough. My words were: it being understood that this privilege might continue until 1914.

Mr. WHITE.—My opinion is that if we did not put in something, making the agreement subject to that tariff, we should be obliged at once to repeal it when this was proclaimed.

Mr. CHANDLER.—You will find that the beet men will not want you to repeal it at all. My opinion is that these beet men get all the privilege of 135*b*, and when they go on refining they will get their one-fifth at 37½ cents duty, and they will come to us for it. They will have to pay fifty-two elsewhere.

Dr. REID.—Then if you don't need it why mention it at all?

Mr. CHANDLER.—That is my view, but that is not the view of these other gentlemen here. They say they have come here with specific instructions to get 135*a* and 135*c* repealed. As those familiar with the subject who have considered it agree that there is a doubt about it they believe it is better to put it in the agreement.

Mr. FOSTER.—We want to remove any doubt, but this does not appear to be a proper form of words. We have the principle already affirmed of repealing the other twenty per cent.

Mr. CAMERON.—The objection is to putting it in this crude form.

Mr. FOSTER.—It is just this way: If this drops out on the 31st December, 1914, the whole matter of sugar refining with regard to any extension drops out; no refiner then can get in on the twenty per cent extension. The beet root stipulation is provided for up to 1914. The stipulation drops out then and all our refiners, by our provision made before, will be precluded from the twenty per cent extension.

Mr. CHANDLER.—Looking at it from a critically legal point of view, I do not understand how the date 1914 ever got into your tariff, because your Tariff Bill is an annual Act, and in this Bill you bind your future parliaments up to 1914. You might as well promise that your tobacco duties would not be increased or that you would not have an additional duty on spirits. I don't see how the Act of Parliament of one year can bind future parliaments in respect of this tariff.

Mr. FOSTER.—Of course at any time we could repeal it, but it is an implied agreement that parliament would respect.

Mr. CHANDLER.—It is merely a moral promise.

Mr. WHITE.—One difficulty I have about this is, and I submit it for your consideration, under this very badly worded provision, would not the effect be under section 2 of the agreement to give you twenty per cent off this fifty-two cents until 1914?

Dr. REID.—That is what I have in view.

Mr. CHANDLER.—That is where Dr. Reid and myself are at one. I imagine that what would happen when this agreement comes into force would be this: You have a beet factory at Wallaceburg; it will do its four months' work on the Canadian beet refining and then it will look around for some raw sugar to carry on its operations. It will say to the Customs Department: I refined 10,000 tons of beets and I want 10,000 tons of raw sugar to carry on until the beet comes in again. Where will it get that 10,000? It will say: If I get this from Java or San Domingo I would pay 52½ cents, but as I am going to get this from a British country I will pay you 15 cents less and you must let this 10,000 tons in at 37½. Looking at it from that point

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of view I do not see that it creates any hardship, but these gentlemen are instructed to ask for the repeal of these items in your tariff, and so far as I can see you are bound to repeal them in 1914.

Mr. WHITE.—We won't have to repeal them because they will expire.

Mr. ROXBURGH.—You won't renew them?

Mr. WHITE.—The reason I want this clause considered is that we want to provide against the contingency that has been discussed here. We want to let these men go on to 1914 to work this out, and at the same time we don't want to reduce you up to that period.

Mr. CHANDLER.—We are quite willing you should abolish it at once.

Mr. WHITE.—We could not do that, of course. This provision will have to be worded very carefully.

Dr. REID.—I thought something like this might be added:—

And section 2 of this agreement shall not apply in so far as section 135 (b) is concerned up to the date of its expiring.

Mr. WHITE.—This will have to be worded very aptly, because there is no doubt, from the legal construction of documents, that unless it were very clearly shown that the twenty per cent was not to be taken off the 52 cents to which these people are entitled the effect would be to give you a 37½ cent rate.

Mr. CHANDLER.—Undoubtedly.

Mr. FOSTER.—I think we will have to have a little legal advice on the drafting of this section.

Mr. CHANDLER.—It would be much better if you could repeal that provision altogether, but, of course, you cannot do that. I think the suggestion of Dr. Reid to be added to this agreement would meet the situation.

Mr. FOSTER.—We had better let the Customs Department draw up a wording for that.

Mr. WHITE.—We want to avoid any complication with regard to this beet sugar.

Mr. CHANDLER.—You do not give us any pledge that you will not recommend the continuance of any such arrangement.

Mr. WHITE.—Don't you think the agreement itself would prevent that?

Mr. REID (British Guiana).—I would think so.

Mr. CHANDLER.—You might make a provision that section 135 (b) shall continue on until 1915 or 1916. That would not do for us at all.

Mr. REID (British Guiana).—If they imported 1,000 tons of foreign sugar at the present preferential rate we would have to get 1,000 tons in at 15 cents less.

Mr. CAMERON.—If you allow that foreign sugar in at the preferential rate the British sugar must come in at the 15 cents below that.

Mr. CHANDLER.—I cannot understand what objection there can be to this with Dr. Reid's amendment.

Dr. REID.—We are only dealing with it up to 1914 and after that the treaty comes in.

Mr. CAMERON.—If you say that nothing herein contained limits the operation up to a certain date in so many words, it is implied that after that the thing lapses.

Mr. WHITE.—And when this agreement takes its full force and effect that is what will happen.

Mr. CAMERON.—That is my view of it.

Mr. WHITE.—I don't like the wording of it laying down that the Government of Canada must not recommend its continuance, and so on.

Mr. FOSTER.—I do not like that form either.

Mr. WHITE.—It might be said that it is understood that there shall not be an extension of the time as it is now fixed.

Mr. FOSTER.—And that thereafter during the term of this agreement similar legislation shall not be recommended.



Mr. WHITE.—It is a little more than that. In 1914 we want this tariff to stand without having to give the West Indies the benefit of the 20 per cent rate below the 52. It is a mere question of drafting, and Mr. Chandler can come to my office at half past two o'clock.

It was agreed that Mr. Chandler should meet the representatives of the Canadian Government and draft the wording for this clause.

### ARROWROOT.

The conference then took up the question of arrowroot.

Mr. WHITE.—Mr. McDougald, what objection do you see off-hand to putting arrowroot in Schedule B? The difficulty Mr. Russell talks of was with regard to British importations of starch.

Mr. McDOUGALD.—With what qualifications?

Mr. WHITE.—We have not considered what ground we might put it on. It has been suggested that arrowroot should be put in Schedule C with the two other items there, with a certain preference throughout the colonies.

Mr. McDOUGALD.—The Department of Customs will not have any difficulty in putting it there.

Mr. WHITE.—Would any difficulty arise in confusing it with starch?

Dr. REID.—You mean to leave it in this schedule and in Schedule B as well?

Mr. GRIFFITH.—We want a preferential duty as against foreign countries.

Mr. McDOUGALD.—The question of letting it in free is another question altogether, it might come into competition with starch.

Mr. GRIFFITH.—We cannot see where the question of competition would arise at all, because it is so different from other starches that there is no difficulty in detecting it.

Mr. McDOUGALD.—There is no difficulty in detecting it, but it might take the place of other starch.

Dr. REID.—There is a very large percentage of the starch manufactured in Canada that goes to the cotton mills, and the arrowroot would simply take the place of that. It would mean letting in starch free to this country from your country where you have cheap labour and everything of that kind as compared with the cost of manufacturing it from corn here. It would come into competition at once with the starch made in Canada.

Mr. CAMERON.—Would arrowroot compete with that sort of starch?

Dr. REID.—Yes.

Mr. CAMERON.—Is it not merely a food?

Mr. GRIFFITH.—The quantity of arrowroot involved is not very considerable; our production amounts to about 30,000 barrels a year.

Dr. REID.—That 30,000 barrels would have the effect of interfering with our starch industry.

Mr. GRIFFITH.—As I say, our production would possibly be 30,000 barrels a year, and from 20,000 to 22,000 of that goes to the United Kingdom. We would consider that probably from 6,000 to 8,000 barrels would come into Canada. The cocoa manufacturers of Great Britain purchase annually about 20,000 barrels. It is possible, of course, to produce a larger quantity, and I have known it to go to 29,000 barrels, and I think it might go to 30,000 barrels, but it would not go beyond that. What we want is to obtain a market in Canada for from 6,000 to 8,000 barrels of arrowroot, which is used principally by the manufacturers of cocoa. I do not think any quantity of that would take the place of the local starch in manufacturing.

Dr. REID.—Eight thousand barrels at 200 pounds to the barrel means 1,600,000 pounds. We have two starch factories in Canada, and if you admit that much starch into Canada you will close up one of them.



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Mr. GRIFFITH.—Arrowroot costs about 6 cents a pound.

Dr. REID.—I understand it costs about  $2\frac{1}{2}$  cents.

Mr. GRIFFITH.—You could not buy it at less than 5 or 6 cents a pound. It could not come into competition with the ordinary starch in this country. If the price of the arrowroot went down to  $2\frac{1}{2}$  cents a pound they would stop growing it because they could not produce it at that price.

Dr. REID.—If you put starch on the free list I am afraid it might interfere with our trade.

Mr. FOSTER.—What Mr. Griffith wants is that his arrowroot shall enjoy a preference.

Mr. GRIFFITH.—I ask to have it put on the free list with a preference against foreign countries. May I read a paragraph from a memorandum furnished me at St. Vincent:

Although St. Vincent welcomes the opportunity of closer trade relations with Canada, it must not be assumed that she would be unable to support herself without such nearer relations. Dependent upon two chief industries, cotton and arrowroot, the former of which articles is wholly exported and the latter almost wholly exported to the United Kingdom, she would continue to manage to pay her way. In the circumstances unless certain concessions were made to her by Canada for any reciprocity she could offer it would not be of advantage to her population to bind themselves down to purchase their main articles of diet and manufacture in what might be regarded as a limited market in comparison with the world-wide market which is open to them to-day, for this would be the practical result of reciprocity.

I submit this very strongly for your consideration. We are asked to make concessions to Canada and practically we get nothing in return, because unless arrowroot is put on such a footing that we can come into the Canadian market and compete with other starches that come in from abroad, say from the United States particularly, and which can be placed here at a lower freight cost, we shall gain nothing by the proposed agreement.

Mr. FOSTER.—If you get a preference on it won't that help?

Mr. GRIFFITH.—It depends on what the preference will be.

Mr. WHITE.—We must be very careful not to interfere with our interests here. It would be a serious thing if starch were affected.

Mr. GRIFFITH.—To shorten the matter I will ask you to make it 5 per cent ad valorem.

Mr. WHITE.—We will have to let that stand over.

Dr. REID.—If the sugar refiners get this starch, and get it cheap enough, they can turn around and make syrup or glucose.

Mr. GRIFFITH.—It is too expensive for that. You never will buy arrowroot less than 5 cents a pound in the west Indies.

Dr. REID.—The duty on starch is  $1\frac{1}{2}$  cents.

Mr. GRIFFITH.—I am told that the present current price of arrowroot is  $6\frac{1}{2}$  cents a pound and it is seldom below that.

Dr. REID.—I have no idea of the price of starch now, but I would not be surprised if it was 8 or 9 cents, because corn is very dear at the present moment.

Mr. WHITE.—Suppose we consider that between now and this afternoon.

Dr. REID.—It is a very important matter.

Mr. WHITE.—I don't see how we can put it on the free list in view of what Dr. Reid says. We will give you as substantial a preference as we can.

3. The concessions granted under section 2 by Canada to the Colony of  
shall be extended to all the other colonies enumerated in Schedule  
D for a period of three years from the day on which this agreement shall come

into operation, and at the end of such period of three years such concessions to the other colonies may cease and determine as respects any of the said colonies which shall not have granted to Canada the advantages set forth in section 1. This paragraph of the agreement was concurred in.

4. The Government of the Colony of \_\_\_\_\_ may provide that, to be entitled to the concessions granted in section 1, the products of Canada shall be conveyed by ship direct without transshipment from a Canadian port into the said colony or by the way of one of the other colonies becoming parties to this agreement.

5. The Government of Canada may provide that, to be entitled to the concessions granted in section 2, the products of the Colony of \_\_\_\_\_ shall be conveyed by ship direct without transshipment from the said colony or from one of the other colonies, entitled to the advantages of this agreement, into a sea or river port of Canada.

Mr. CHANDLER.—If the preference is not to be obtained unless the goods are sent direct, it may be that it would defeat the entire convention. It might occur that the steamship company or the railway company might take the whole preference, and I admit that it is a troublesome point. It goes to the root of the whole thing. At present the Dominion has been giving a subsidy to the Pickford & Black Line, and although I do not know what the terms of the contract are with regard to freight rates they must be pretty generous, because the rates go up and down with the current freight. Suppose we were tied up to some subsidized line of steamers the whole year round and that the freight rates were as they are now, and direct shipments were compelled, the steamship companies would get the benefit of the preference.

Mr. FOSTER.—We see that as you do. The freight goes both ways; our freights go out and we are very anxious to increase their volume, and your freights come in and you are anxious to increase them. Of course, neither of us would say there should be direct shipments unless we have some guarantee as to freight rates. That would have to be left to the good sense of the contracting parties. We would never subject our exporters of produce to the tender mercies of a steamship company between here and your ports and warn off every other avenue of carrying the freight unless we had these freight rates under our control. It would be suicide to do so.

Mr. CHANDLER.—The freights out and the freights back are different things now. The freights from Canada may be low and the freights back may be high, and, of course, you would be inclined to look only to your end of the line.

Mr. FOSTER.—It would be just as much to our interest to look after getting as cheaply as possible what we are buying as well as what we are selling. I do not believe we would make any arrangement with a steamship company which would confine our control of the rates only to the rates going out. Our control would be over the rates as a whole, going and coming.

Mr. CHANDLER.—What we are afraid of is, assuming the argument to be correct that we do get this 15 per cent preference, if we are practically tied down to one steamship line on the direct route during the winter months, that steamship company may take ten cents of that preference and give us five. That might be the result unless it is carefully looked after. As long as you get the sugar up here you don't care whether we get 5 cents, or 10 cents or 1½ cents; you want the sugar. Unless there is some very rigid provision as to rates of freight we are afraid that the ship owner will come in and take 10 cents of the preference and leave us only 5.

Mr. FOSTER.—We certainly never would subsidize steamers without having control of their rates both ways.

Mr. CHANDLER.—Of course what I say applies only so long as the St. Lawrence is closed to navigation.

Mr. WHITE.—You have no objection to it during the time Montreal is open?

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Mr. CHANDLER.—None whatever. The moment the St. Lawrence river is open the freights will look after themselves and the law of demand and supply will regulate that.

Mr. FOSTER.—It would be impossible for us to make an arrangement with a steamship company unless we had control of these freights rates and I think we are just as much interested in these rates as you can possibly be.

Mr. CAMERON.—Suppose we say that this shall not have effect until there is a line of steamers with freight rates under control?

Mr. CHANDLER.—That is practically what this section is but it is very difficult to carry it out.

Mr. FOSTER.—We have mutual interests in this. Suppose we should limit this to our own freight rates only and had no care for yours the whole object of our coming together would be jeopardized. We know you would not be inclined to continue it if it were not successful, and we don't want to be getting together again and making other arrangements. We want to have it so that our interests shall be the same, and we want to do everything to ensure that this agreement between us will be a real and permanent thing.

Mr. CAMERON.—We must consider what appearance this agreement will have when it is placed before the various legislatures. They will not have the opportunity of sitting among you as we have here and hearing those broad-minded views expressed by you Mr. Foster, and your colleagues. They will only be able to look at the strict letter of the agreement and they may raise difficulties about it. Anything that can be put in this agreement should be put in so as to justify them in ratifying it.

Mr. FOSTER.—There might be a modified clause with respect to this.

Dr. REID.—Should we decide now that there is going to be direct shipments we are going to look after it and keep those rates down. Our interests in this respect are just the same as yours.

Mr. FOSTER.—You have to look at it in this light—whilst we would like co-operation from the West India Islands yet I suppose the bulk of the steamship subsidies will be provided by Canada. It seems to me that every interest will compel Canada to look after these freight rates.

Mr. CHANDLER.—Yes, but in making a contract for ten years with any steamship company you cannot expect to tie them down too tight because you never know what freights are going to be. There is nothing so fluctuating in this world as these freights. I do not know why it is but one year they are much greater than what they are in another year. When you come to make a ten year contract with a steamship company you cannot tie the company down to any fixed rates.

Mr. FOSTER.—But they would be controlled.

Mr. WHITE.—There are reasons which compel a clause of this kind to go in, but I do not know that I would be very much in favour of it in my own mind, at all events under existing conditions.

Mr. AUCHINLECK.—Could it not be kept in abeyance until such time as proper steamship accommodation is secured?

Mr. ROXBURGH.—The suggestion made by my committee on this subject was to this effect:—

We suggest that a proviso be added to Sections 4 and 5 suspending their operations for a period of two years or for such further time as may be reasonable to enable arrangements to be made between the Dominion and the Colonies for the conveyance of goods both ways without transshipment. And that during such period goods may be conveyed both ways in a manner most convenient, duly protected by certificate of origin or other authentic means of identification.

That idea would at least give time for an arrangement to be made for a direct service. We are afraid we cannot get a direct service and under this we would not get the preference because the goods would come through a foreign port.

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Mr. FOSTER.—While the maritime province ports are in favour of this there are a good many business men in other parts of the country who want to be certain that there is an effective service and that, before approving of this, the rates would be not higher to Canada than to anywhere else.

Mr. CHANDLER.—Competition will always adjust freights, and when the port of Montreal is open there will be no difficulty, but Montreal is open for only seven months in the year and closed for five.

Mr. WALCOTT.—It might be provided that the discretion herein granted to the Government of Canada will not be exercised during such time as the St. Lawrence river is closed.

Mr. CHANDLER.—The Canadian Government would be making a contract for the whole year; they would not be making it for seven months. I was instructed by the Legislature of Barbados to say that if you insisted on clauses four and five there should be a provision that the discretion granted under 5 should not be exercised during the time Montreal is a closed port, and then of course there comes the difficulty of making an effective steamship contract on those terms.

Mr. WHITE.—We must consider that matter.

Mr. CAMERON.—Some sort of a proviso will have to be put in which will allay the fears that exist in the islands.

Mr. FOSTER.—It will have to be pretty general.

Mr. WALCOTT.—Does section 4 tie the colonies down in any way as to what they might do in this respect; do I understand that would be left to the colony?

Mr. WHITE.—Yes, left to the colonies.

Mr. WALCOTT.—I am quite sure that the people of the West Indies would like to see as soon as possible importations from Canada coming direct.

Mr. FOSTER.—So would we.

Mr. WALCOTT.—But we could not possibly provide for that until proper steamship communication is provided for.

Mr. FOSTER.—We may leave this stand and perhaps we can draft it in another form.

Mr. WHITE.—And Mr. Chandler in the meantime might turn his mind to seeing how that can be done.

Mr. CHANDLER.—I am afraid that will be hopeless.

Mr. CAMERON.—I think the only proviso you can put in is that the option shall not be exercised until there is an effective steamship service under proper control.

Mr. CHANDLER.—We might arrive at an understanding if we had the C.P.R. men sitting here with us.

Dr. REID.—We might say that it would not be exercised for two years.

Mr. CHANDLER.—That would be merely putting off the matter.

Mr. WHITE.—The expression 'normal rates' in that clause does not satisfy you, Mr. Chandler?

Mr. CHANDLER.—No, it should not be 'normal rates,' it should read 'current rates.'

Clause 6 was taken up:—

6. This Agreement shall be subject to the approval of the Parliament of Canada and of the Legislature of the Colony of \_\_\_\_\_, and of the Secretary of State for the Colonies, and upon such approval being given it shall be brought into operation at such time as may be agreed upon between the contracting parties by a Proclamation to be published in the *Canada Gazette* and in the *Official Gazette* of the Colony of \_\_\_\_\_

Section 6 was agreed to.

Clause 7 was taken up:—

7. After this Agreement shall have been in force for the period of five years it may be terminated by either party at the end of one year after the day

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upon which notice of such termination shall have been given by either party to the other.

Mr. WALCOTT.—I think ten years would be better than five years because it would make for permanency and give capital time to come in and develop the islands.

Mr. CAMERON.—It was considered that this matter would depend on the final form of Schedules A and B.

Mr. CHANDLER.—Don't you think if we do make a contract with a steamship company it might be for a term of ten years, and it is just as well that we should take this up for ten years.

Mr. FOSTER.—No doubt ten years is better if you are all agreed on that.

Mr. CHANDLER.—All the big colonies are in favour of it.

Mr. GRIFFITH.—There is some objection on my part to this. The agreement has to be ratified by my Government, and what becomes of it will depend on the view they take.

Mr. FOSTER.—We will let this stand.

On the Item 'Biscuits, not sweetened.'

At the suggestion of Mr. Walcott, at the request of the Canadian representatives, it was made to read 'Bread and biscuits of all kinds.'

It was agreed that 'Cash registers' should be added to Schedule 'A.'

It was agreed that linseed oil cake and linseed oil meal should be added to Schedule A.

The conference then agreed to Schedule A as amended.

The conference agreed that the item 'Cocoa beans, crushed or ground,' should be stricken from Schedule B and transferred to Schedule C.

Mr. PORTER, asked that 'Limes and fresh fruits of all kinds' be added to Schedule C. He stated that a very large proportion of the exports of his island was, limes and about \$70,000 worth a year went to the United States.

Mr. WHITE.—I do not like to do anything that will raise the duty on any article. That cocoa item has given me more trouble than anything else. I would like to meet you, but I do not like to do anything that will put an article on the dutiable list that is now free.

Mr. PORTER.—Practically all our lime products go now to the United States. As soon as the United States find that they themselves are in a position to supply the American market with limes we will have to meet a duty against British limes in competition with their duty free fruit. One of our principle objects in being represented here is to get a market in Canada for these products. Our lime trade is very important to us. A very large percentage of our entire exports are in limes, and if they are excluded from the advantage of the Canadian market and the American market is closed to them in the future then we will fall between two stools. On the original schedule as submitted the articles on which we are asked to give a preference to Canada would involve a loss of duty to us of \$8,000 a year, and the preference we hope to obtain from that same schedule would only amount to \$45 a year. That of course has been considerably altered by the change in the item referring to cocoa.

Mr. WHITE.—And that cocoa item has given me a considerable amount of trouble. I thought when we did that we would not be asked to do anything else. Unless it is absolutely in the essence of coming to an agreement I would prefer not to do anything about it. A great difficulty presents itself to me in proposing a duty on any article which is free at present.

Mr. PORTER.—This question of limes is very important to us, and I have to thank you for meeting us so very generously in the other case. In view of your having met us so generously with reference to cocoa I will waive my claim to have limes on that list.

Mr. FOSTER.—That is all right, we are very glad.

The original item with reference to rice it was agreed by the conference should read:—

'Rice, cleaned and rice flour, and rice meal and rice bran.'

Schedule B as amended was agreed to by the conference.

Schedule C was then taken up.

In Schedule C the item 'cocoa beans, not roasted, crushed or ground,' was included, and the duty when imported from any foreign country was fixed at not less than 75 cents per 100 lbs.

On the item of 'Lime juice crude,' dutiable when imported from any other country at not less than 5 cents per gallon.

Mr. PORTER.—What is included in the word 'crude?' Does that include concentrated as well as raw juice?

Mr. REID.—I would like to have that understood.

Mr. PORTER.—That is a serious question for us.

Dr. REID.—Don't you take the crude lime and put it through another process to make it concentrated.

Mr. PORTER.—No, it is still crude when it is concentrated. I have to go to our legislature with some definite explanation and they will ask me what is the meaning of 'crude' lime juice.

Mr. WHITE.—It is lime juice not refined.

Mr. MCDUGALD.—Under the term 'crude' it would be all right.

Mr. PORTER.—Then why not use the commercial term and add 'concentrated.'

It was agreed that the item should read:—

Lime juice raw and concentrated but not refined; not less than 5 cents a gallon when imported from any foreign country.

Schedule C was then agreed to.

Schedule D of the draft Agreement was then agreed to.

The conference then returned to the consideration of clause (d) of section 2 of the Draft Agreement.

Mr. MCDUGALD, Commissioner of Customs, handed in the following wording for this clause:—

It is understood that the Canadian Customs Tariff item 135 (b) shall not be affected by Section 2 of this Agreement before the end of December, 1914, when the said tariff item expires, and that the said tariff item shall not be thereafter continued.

Mr. CHANDLER.—That covers it.

The conference then adjourned to resume at half past four this day, Thursday.

The conference met at half past four in the afternoon, the Hon. Mr. Foster in the chair, and all the delegates being present.

Mr. FOSTER.—We will now take up the consideration of sub-clause No. 3, of clause (c) of Section 2 of the Draft Agreement. That clause read as we had it before us this morning so as to provide that upon arrowroot the produce of the said colony imported into the Dominion of Canada the duties of customs shall not exceed 10 per cent ad valorem, and that upon arrowroot imported from any foreign country the duties of customs shall not be less than 17½ per cent ad valorem. We propose to substitute for that the following:—

So as to provide that upon arrowroot the produce of the said colony imported into the Dominion of Canada the duties of customs shall not exceed 50 cents per hundred pounds.



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Mr. GRIFFITH.—If that is the lowest point to which the Canadian Government can go I shall not dispute the matter further. I should be glad to see it placed on the free list, but if you are not prepared to do so I shall not detain you any longer pressing my point.

Mr. WHITE.—We would very much like to have been able to meet your views, but I think we cannot. We think that will give you an opportunity of getting into our markets; that is about nine per cent.

Mr. FOSTER.—Then with reference to sub-clause (*d*) of section 2 of the Draft Agreement we suggest the following in place of what appeared in the Draft Agreement as previously submitted:—

It is understood that the Canadian Customs Tariff Item No. 135*b* shall not be affected by this Agreement before the end of December, 1914, when the said tariff item expires, and that the said tariff item shall not be thereafter continued while this agreement is in force. It is also understood that in determining the rates of duties payable on goods under the said Section 2 the rates provided for in Tariff Item No. 135*b* shall not apply.

Mr. CHANDLER.—I agree to that.

On Sections 4 and 5 of the Draft Agreement:—

Mr. FOSTER.—We believe that with reference to the words 'Colonies becoming parties to this agreement' we should make the same amendment as we made to the same words in section 5, and that it should read: 'Colonies entitled to the advantages of this agreement.'

Clauses 4 and 5 of the Agreement agreed to.

Mr. FOSTER.—Now with reference to the clause which reads:—

Provided always that the discretion herein granted to the Government of Canada shall not be exercised unless and until the Government of Canada has arranged and stipulated that, during such time as the St. Lawrence River is closed to navigation, and access to the port of Montreal by ship or vessel is prevented, the rates of freight upon the transport of the goods enumerated in Schedules B and C from such colony to the City of Montreal by way of a seaport of Canada, shall not be greater than the normal rates of freight upon the like goods from said colonies to the City of Montreal by any other route.

Mr. FOSTER.—With respect to that I do not see anything to do but to drop it out.

Mr. CHANDLER.—The more we have talked about this the more we cannot see where the objection comes in. It is in the interest of both parties to prevent any railway company or shipping company from charging more than proper freights and getting this preference whatever it may be. No steamship company could object to a clause in the contract stating that the Controller of Customs at Halifax and the Controller of Customs at St. John should be a tribunal to determine in any case that arises, whether the freight rates charged, during the time the St. Lawrence is closed, were the current rates. If the Canadian Government included a clause in the contract to the effect that in case of any difference of opinion as to the rates charged, the Controller of Customs in Halifax or St. John should determine this, I think it would be satisfactory. The Controller of Customs will be a man of business and will not be liable to go wrong in determining such a question as that. The current rates of freight are as well known as the day in the week. I do not see how any shipping company entering into a contract with the Government of Canada could object to such a clause. Here we will have an impartial tribunal on the spot which will be able to determine whether the freights are current or not. The more we have talked about it among ourselves the more we have come to the conclusion that we cannot see a political objection to that clause standing. It does justice to both

sides. It would be a perfectly fair and square item in a contract and it would prevent the steamship company, through the Controller of Customs at Halifax or St. John, from at any time taking the preference granted under this arrangement. If we put it in this Agreement, it will back up the Dominion of Canada in making a contract with such a term in it.

Mr. FOSTER.—In a contract of that kind, with the Dominion Government paying the subsidy, we would have a clause saying that the rates should be under the control of the Minister of Trade and Commerce.

Mr. CHANDLER.—No company would take a contract with that clause in.

Mr. FOSTER.—Yes, they would.

Mr. CHANDLER.—But you would have to fix the rates for a given time in such a contract.

Mr. FOSTER.—We would fix them from time to time. In the contracts with many of our steamship companies to which we give large subsidies we have a stipulation at the present time that the rates shall be under the control of the Minister of Trade and Commerce.

Mr. CHANDLER.—How does that work out?

Mr. FOSTER.—It works out in this way, that at the beginning of each season they send us in a schedule of their rates and that schedule goes under review and is approved of. They cannot raise that schedule of rates until they apply to the Minister of Trade and Commerce for permission. Now that is the ground work of the control of rates. But, the trouble has been up to the present, that the Minister of Trade and Commerce, for the time being, has not had very effective machinery to determine upon the equability of rates, and therefore it has been rather a dead letter than otherwise. But it is not the intention that that shall be. This matter has been receiving my attention for some time, and I have come to the opinion that we should have some authoritative board which in some way or other shall have that matter in charge and which could advise us as to these rates. We have railway rates under our control now. We have a court of the largest jurisdiction that probably there is in the world in reference to all matters pertaining to railway traffic. The Railway Board has supreme control over railways in that respect. Their schedule of rates has to be approved, and if any man has a grievance he can bring his case before them and have it determined whether the rate is discriminatory or whether the rate is too high, or whether the rate is a proper rate, and they fix that rate according to their will. A board something like that would meet it. But I was just mentioning the principle upon which the department had control of the rates. In so far as I am concerned, I purpose to carry out that control in a practical way. Now, we would put that provision into any contract like this with a steamship company. As to the controller of customs at Halifax or St. John dealing with these matters, we are a little differently situated from what you are in the West Indies in that respect, and we might not find that to be the best tribunal for the adjudication of rates. Of course, the Trade and Commerce Department will be responsible for that and the department must find its best method of working it out.

Mr. CHANDLER.—In the contract with Pickford & Black there was a provision made for authorizing rates, but Pickford & Black seem to have very wide discretion in charging whatever freights they like; don't you think in view of that that something of that sort is necessary, looking at it from our point of view? You are Minister of Trade and Commerce now, Mr. Foster, and you are telling us what you are going to do, and I hope you will be Minister of Trade and Commerce so far as the welfare of the empire is concerned for a long time, but this is to be a ten-year contract, and it may be for twenty years or thirty years, and we have to look to the future. We must consider that there will be other Ministers of Trade and Commerce, and our experience in the past has been that some such provision which will compel the Canadian Government to look after our interests in this respect is necessary. Without this there may be neglect, and there may be such a margin between maximum and mini-

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mum freights that we will suffer, and the steamship companies take a large part of the preference in the shape of freight. The provision made in the former draft was that the Government of Canada, during such time as the St. Lawrence route was closed to navigation, shall arrange that the rates of freight shall not be greater than the current rates of freight to the city of Montreal by any other route. I do not see any harm in that provision.

Mr. FOSTER.—In the winter season that means New York.

Mr. CHANDLER.—It means New York plus the railway. I do not know what your railway tribunal is, but probably you would find it better to refer the matter to them; however, that is a matter of detail. It seems to me, sir, from what you have said yourself, that it is only fair that the West Indies should make a demand of this sort upon the Government of Canada to look after our interests, and to see that we are not handicapped in that way. You tell us that you would not think of doing otherwise than is provided for in this clause, but our people would be much more satisfied if it were stipulated in the agreement. It is all very well for you to promise it in this way, but when I go back, with my instructions to have this matter covered in some way, and if it is not in the convention, I will have some difficulty in explaining. They will tell me that it is all right and that they believe Mr. Foster, but they would prefer to have it in the contract.

Mr. GRIFFITH.—I would like to see something similar stipulated for in the contract. Pickford & Black seem to charge whatever they like. They do very extraordinary things; they charge us a higher rate per barrel than to Trinidad, which is 300 miles beyond us; they charge us 10 cents a barrel more for landing stuff at St. Vincent, 300 miles nearer, than they do for landing it at Trinidad. They say there is delay in getting their ships away at St. Vincent, but we answer that by saying that if that is so it is their own fault. Unless we can do something to control these steamship rates I am afraid great injury would follow. We would prefer not to have the steamship companies in the same position as Pickford & Black, who seem to have their own way of doing everything. To us it is not satisfactory. There should be, according to our opinion, some tribunal to which we can refer the freight rates in the event of our finding we have been charged differential rates as compared with other colonies in the West Indies.

Mr. PORTER.—That question of freight rates is one which concerns all the islands. We have the complaint that our rates are very much higher than the rates to the islands farther south. I believe there is a difference of 10 cents between Dominica and Barbados, against Dominica which is 180 miles less distant on the route.

Dr. REID.—What is the rate from St. Vincent to Montreal?

Mr. GRIFFITH.—47½ cents per barrel from Montreal to St. Vincent, and I think vice versa St. Vincent to Montreal the rate is 47½ cents.

Mr. FOSTER.—How do you think this would be:—

Provided that should this discretion be at any time exercised by the Government of Canada provision shall be made in the contract with steamship companies subsidized by the Dominion and plying between ports in Canada and ports in the colonies, parties to this agreement, for effective control of freight rates.

Mr. REID (British Guiana).—We are not concerned in Demerara so much with the rates between port and port as we are with the rates between Halifax and Montreal. We can always charter a steamer to take our goods up; it is after they get to Halifax that we are concerned about the railway rates. Of course, wherever we can get an open port we are all right as to steamship rates, but after the goods are landed in Canada the railway rates may be raised to our prejudice.

Dr. REID.—Is there any one present who was present in 1910 when Mr. Fielding and Mr. Paterson were on the commission?

Mr. COLLYMORE.—I gave evidence.

Dr. REID.—Did this matter come before them?

Mr. COLLYMORE.—Yes.

Mr. GRIFFITH.—I also put that matter before them in the evidence.

Mr. FOSTER.—We subsidize a steamship company to run between different ports, and we have not authority to put a condition on these steamship companies with regard to the freights that shall be charged on land. We subsidize them for ocean traffic and we control them while they are travelling on the line we subsidize. When they land their goods at any port their duties and obligations cease at once. However, we have an effective remedy with regard to all rates after goods get to Halifax and St. John. We have, I think, the best regulated system in the world for control of rates on land lines. If there is any question of discrimination between St. John and Halifax and Montreal that is a matter which is referable to our Railway Board, and they will immediately take it up and issue their orders and instructions. Suppose they are charging on freight from Demerara or one of the other colonies to Montreal more than is being charged on other similar kinds of goods, that is discrimination, and that matter will be righted by the Railway Board at once. Then again, the winter traffic would be between Halifax or St. John and Montreal, and there is a railway between these two points in the hands of the Government; it is a Government railway, and the rates are under the control of the Government and no injustice can be done. If your freight is carried by any other line than the Government railway, then the Railway Board will see that proper rates are charged. Does not that meet the bill?

Mr. REID (British Guiana).—That meets our objection if the railway rates are under the control of the Government.

Mr. FOSTER.—Oh, yes, we have the most effective system of control in that respect. I would like you, before you go away, to look into that and be able to advise your people with regard to it.

Mr. GRIFFITH.—My reference was purely to steamship rates.

Mr. FOSTER.—With regard to these you may rest assured that they will be under effective control.

Mr. CHANDLER.—We want this board of yours to look after the shipping rates; we want something of the same sort to control the shipping rates as you have to control the railway rates. Is it not necessary in the convention to make a reference to the opening of the St. Lawrence navigation?

Mr. FOSTER.—No, I think when you take into consideration what I have said you will find that there will be effective control of steamship and railway rates.

Mr. CHANDLER.—The rate from Halifax to Montreal by rail may be appreciably higher than the rate from New York to Montreal. If that were so, it would be more expensive for us to send to Montreal by that route than if we had the option of sending through New York where there would be competition.

Mr. FOSTER.—Competition might be a very important item so far as the sea passage is concerned, but it would not have the same gravity so far as the land lines are concerned.

Mr. CHANDLER.—Oh, yes, because if you get a preferential rate on your sugar, it may be that the fifteen cents preferential would be divided between the Railway Company and the ship.

Mr. FOSTER.—Under our system the railway could not go to work at any season of the year and raise freight rates for the purpose of freezing you out of the whole of your preference or any part of your preference. It does not seem to me that the Railway, in the first place, would do that, but if it were to do so, it would be stopped. There are competing railway lines; there is the Government railway itself which runs from Halifax and St. John straight into Montreal. We could hardly think that the Government itself, interested as it is in the successful conduct of this matter, would do anything of the kind. So soon as your goods get to Halifax or St. John, you can put them on the Government railway if you wish. Then, there is the Canadian Pacific Railway running from St. John to Montreal, and the rates

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are controlled on that, but you are actually in touch with the Government railway at both of these ports in sending your goods to Montreal. You have the Government railway there when the season of navigation on the St. Lawrence is closed.

Mr. CHANDLER.—We have it at present.

Mr. FOSTER.—And always will.

Mr. CHANDLER.—Do you think so?

Mr. FOSTER.—Well, I believe it will be pretty well settled down to that at all events for the period of this agreement. Now, having the Government railway and having Government controlled rates on all other railways, and having Government control on the freight rates on the steamers subsidized between the ports of the two countries, I think you have about all that you can possibly expect.

Mr. CHANDLER.—Your suggestion is practically the same as the one set out in the Draft agreement, but my object was to get inserted the words: 'Not greater than the current rates of freight.'

Mr. FOSTER.—I think the suggestion I have made gives you everything you can get in the way of effective control of freight rates.

Mr. CHANDLER.—It is perfectly satisfactory if the Canadian Government Railway and Steamship Board would be guided by the idea of current rates, and that the rates provided should not be greater than the current rates to Montreal by other routes. You seem to object to putting that in, Mr. Foster, but if you added these few words to your amendment, it would be satisfactory.

Mr. FOSTER.—I think the general power of the Government includes everything that it would be necessary to take into consideration when you come to fix a schedule of freight rates.

Mr. CAMERON.—I think we must take it that it is in the interests of the Canadian Government as well as our own interests. Their control of the freight rates will assure that the run of the trade shall be to Canada, and that there shall not be any object in the way which would create discrimination or that would interfere with the full flow of trade towards Canada. Of course, Dr. Chandler means that there should be something down in black and white that one could point to. If there were not some written provision for the effective control of rates there would be more difficulty in dealing with the matter when we go back and submit the agreement to our respective Legislatures.

Mr. FOSTER.—I appreciate that.

Mr. CAMERON.—Although it would be making assurance doubly sure to put in something about current rates of freight, I can conceive that the Canadian Government may have some objection to putting in an absolutely restrictive clause like that, and looking at the question in its broader light, I think it may be left to the Canadian Government to deal with it. So far as I am concerned, provided such a clause as Mr. Foster has read to us is incorporated in the agreement, I think we can safely trust the Government of Canada to take such measures in connection with the steamship subsidy as will bring the rates under control, and to assure to our people in the West Indies with whom they are trading that they shall not be put at any disadvantage in that respect.

Mr. FOSTER.—Certainly, our interest is fully as large as yours in that respect.

Mr. CAMERON.—We must have something there to show to our people when we get back.

Mr. FOSTER.—I can quite see it is useful to you to be able to show you had something to point to as a guarantee of control of rates.

Mr. REID (British Guiana).—This is one of the provisos I was asked to press for, namely, the control of freight on railways and steamers, so that the cost of sending the goods from Halifax to Montreal should not be greater than from New York.

Mr. CAMERON.—That is the great point. If we are assured there will be effective control, I think we may take it that that control will be exercised.

Dr. REID.—I was thinking that it might be changed in this way:—

Provided that should either party exercise the discretion given under sections 4 and 5 provision shall be made in the contracts made with steamships subsidized by either party plying between the ports in Canada and the colonies named in this agreement, for effective control of the rates of freight.

The colonies will pay part of the subsidy and they might have a say in it.

Mr. CHANDLER.—You will make the contract with the steamship companies.

Mr. CAMERON.—I had the same thought in my mind as Dr. Reid had, but I did not think it would work out.

Mr. CHANDLER.—The contract is made by Canada just the same as the Royal Mail contract is made by the Postmaster General of Great Britain.

Dr. REID.—It would appear, from the wording of the previous clause, as if we were controlling the rates all alone, and my idea was to give the colonies some say in it.

Mr. CHANDLER.—If any contract would be made, the contract would be made by you on behalf of the Government of Canada.

Mr. FOSTER.—We would make the contract.

Mr. GRIFFITH.—In connection with what Dr. Reid has said, I might read an extract from a document which was passed on to us. We were asked to take action:—

With a view to inducing the Canadian Government to make some permanent and satisfactory arrangement whereby the West Indian colonies concerned would be more consulted in fixing freight rates in connection with any steamship contract that might be entered into, and also variation of such rates.

That was a special matter passed on to me.

Mr. CHANDLER.—The difficulty is, in the event of any contract being made and we pay no part of the subsidy, for us to have anything to say about the rates.

Dr. REID.—If you do pay you should have some say about the rates.

Mr. GRIFFITH.—That paragraph I read had special reference to the existing state of things under which we pay Pickford & Black a certain subsidy for calling at our ports, but we have no say in the rates charged; they do just as they please. My government pointed out that if we were to be a party to the contract and were to bear any portion of the subsidy, that the government should be in a position to say whether they were being fairly dealt with or not in the matter of freight rates. I am not going to urge that any further; I am pointing out what instructions were passed on to me.

Mr. FOSTER.—You would always have this to rely upon: if the Dominion Government made a contract you would be advised of the terms of that contract. If the provision for the control of freight in that contract was not to your liking, you would always have the option of saying: well, these freight rates don't suit us and we will not give a subsidy. If your subsidy is fairly considerable that will always have an effect on us because we want to get as much of a contribution to the general subsidy as we possibly can. But if there was to be regulation from time to time as to rates, and if each colony was to participate in it, we would have ten or twelve islands dealing with the matter, scattered as they are over a long distance of territory, and there would be an enormous amount of correspondence which could only be carried on under great difficulty.

Mr. GRIFFITH.—Provided we have a satisfactory tribunal to refer to in the matter, I think we will get all the satisfaction we want or would require. We would be satisfied with that arrangement.

Mr. FOSTER.—Of course, we are largely interested in the freight rates, because it cuts both ways, and we are both anxious that there should be a development of trade between us. If we do not get effective control of these freight rates we could not justify ourselves to Parliament and our country. Of course, this is a little of



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an experiment as yet. As the thing has been talked about there has been quite a bit of interest in our own country, as in yours, and there is a spirit abroad that this thing will be a success. We can only make it a success if we get freight rates reasonable and get the transfer system for our goods which we interchange, up to date. We cannot make it a success without these, and we are vitally interested in making it a success.

The delegates accepted the proposition made by Mr. Foster.

Paragraph No. 6 of the draft agreement agreed to.

Mr. MCDUGALD (Commissioner of Customs).—With reference to the question of limes, I think you could give them limes fresh at not less than 10 per cent ad valorem.

Mr. PORTER.—That is a vital question with us; it is practically all we can get out of this agreement.

Mr. FOSTER.—Very well, we will make it:—

Limes, fresh, not less than ten per cent ad valorem.

Clause 7 of the Draft Agreement was then considered.

7. After this Agreement shall have been in force for the period of five years, it may be terminated by either party at the end of one year after the day upon which notice of such termination shall have been given by either party to the other.

Mr. WALCOTT.—I think the term should be ten years.

Mr. GRIFFITH.—I will not hold away from a term of that duration, but it is subject to ratification by my Government. I was distinctly told they did not like to go beyond the period fixed in the agreement.

Mr. FOSTER.—You are a man of good persuasive power, you know what we all want and you can recommend it.

Mr. GRIFFITH.—Personally I would regard it in the same light as the other colonies, but it is a question of revenue for us, and my Government may say that certain things do not justify their coming into the agreement for a longer period than five years. It is up to my Government to decide as to that.

Mr. FOSTER.—I am perfectly satisfied to leave your Government in your charge to represent this matter to them.

Mr. CAMERON.—Supposing the Government of Canada and the Government of one of the Colonies should decide that the agreement was not a paying one, one way or the other, and that they wanted to terminate it, would it be open to them to do so?

Mr. WHITE.—As I understand it, this is an individual agreement, and it is not an agreement between the Canadian Government and the Governments of the Colonies all united.

Mr. CAMERON.—That is so.

Mr. WHITE.—If that is true, then on the general principles of law, the two parties to the agreement could terminate it.

Mr. FOSTER.—Of course it is an agreement between two, but let us be perfectly frank about it. Canada, looking to its own interests, does not care whether it is five years or ten years, but Canada does think, looking to the interest of the West Indies, that the idea of having a period of some fair duration, which you can look to as certain, will operate to the investment of capital and the development of the resources of the West Indies, and in that way it may have a broader effect than even any benefits which may accrue to trade.

Several DELEGATES.—That is what we want.

Mr. FOSTER.—Frankly, we do not want to do preferential business with you unless it will enable you to develop your resources and thus increase the trade between the two countries, and I should think a period of ten years is short enough in order to give an agreement of this kind a trial.

Mr. CHANDLER.—We certainly want development, and I agree with you.

Mr. GRIFFITH.—I quite agree that you are more apt to get proper steamship communication under a contract for ten years than for five years.

Mr. WHITE.—We will be in a far better position to deal with steamship lines on the basis of ten years.

Mr. REID (British Guiana).—Five years is nothing to start a steamship service and a cable service.

Mr. CAMERON.—Having regard to the satisfactory way in which Schedules A and B and C have now been agreed to, I should personally prefer to see the term stand at ten years instead of five years. But, what I would like to be in a position to do, and what some of my colleagues in the smaller islands would like to be in a position to do, would be, if ten years is inserted, to be able to say to our legislatures: well, it is true this is an agreement between us for ten years, but it does not preclude us on the understanding we have come to with the Canadian Government, to, if things go wrong and we find that it imposes on us burdens which are more than we can bear, abrogate it at an earlier period.

Mr. FOSTER.—If one of the partners said to Canada, it is hurting us, we cannot carry this on, cannot you come to some agreement with us to relieve us, I do not think Canada would put the halter around any one of these colonies.

Mr. CAMERON.—I don't think she would for a moment.

Mr. FOSTER.—We would say: we are sorry, but if that is your view of it we will consider your case.

Mr. WHITE.—At the same time that should not be done on light grounds.

Mr. CAMERON.—No, no.

Mr. WHITE.—This is an agreement more or less sacred, and steamship lines may be started on the basis of it, and there should be relief granted only in an extremely hard case.

Mr. FOSTER.—The steamship company which is making a contract with us will enter into that contract on the basis of all these colonies participating, and they will say if they are going to have trade with all of these colonies, they will do it for such and such a subsidy. But if there is an idea that one may drop out and another drop out, the steamship company may be left without benefit.

Mr. WHITE.—This really contemplates a legal agreement. It is a binding agreement, and it would only be as a matter of grace that one would relieve the other. No doubt, in a tremendously hard case, the Dominion would be quite disposed to do it. Still, this is not a light matter.

Mr. CAMERON.—That is absolutely so.

Mr. WHITE.—How many are opposed to the ten year term?

Mr. PORTER.—I came up with instructions to consider the Draft Agreement on the lines of a five year term, but during our formal conversations on board ship I was convinced by the arguments of the larger islands that in their case it would not be to their advantage to enter into an agreement for a shorter period than ten years, and in thinking the matter over it seems to me that if we are to have a good thing it is worth our while to keep it as long as possible. It will take some time to get the arrangement into proper working order, and we should give it some chance. We could not see the effect of this agreement in five years. I am prepared, subject to the approval of my government on my return, to accept a longer term than five years; I think it is far better than a shorter period.

Mr. AUCHINLECK.—The question of the period never came up in any instructions to me, but it was not thought it would be for a longer period than five years. I am quite prepared, from what I have heard, to accept ten years and to represent the same to my government. I think the advantage is in the longer period. There is far better opportunity and chance of getting good steamship communication during the ten year term than under an agreement for a shorter time.

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Mr. REID (British Guiana).—And it will afford us a better basis for negotiation at the end of the ten years.

Dr. REID.—They could not build the steamers for a year or two anyway.

Mr. CAMERON.—We are all in accord with the ten years.

Mr. GRIFFITH.—I am entirely in accord with the opinions expressed, but I wish to say what my instructions were.

The agreement was then concurred in as amended.

Mr. FOSTER.—Now, gentlemen, that we have concluded that part of our negotiations, I may say that we are not authorized to come to a conclusion with reference to cable communication, nor with reference to steamship communication, but the Canadian delegates have read your report on each of these, and we have consulted with our colleagues here, and we are willing, as members of this conference, to prepare a statement on each of these subjects. Without going into details, the lines of the resolution might be as follows with regard to cables: that we favour the laying of a new cable on the lines we have discussed, an extension to Demerara and Barbados and extensions among the smaller islands for local use. And that the colonies interested are prepared to make a fair contribution to what shall be considered a proper subsidy when the matter has been fully considered by ourselves and yourselves and the Home Government, and that Canada is willing to say to the mother country: we will go shares with you for the balance that is necessary. Or put it this way: Supposing this £22,500 is necessary, and suppose you raise a certain amount down there, that will leave so much apiece for us and for the Home Government. In that way we will put it up to the Home Government, and they surely cannot do less than Canada is willing to do in the matter.

Mr. CHANDLER.—I am afraid we will find they can.

Mr. FOSTER.—We will try it anyway.

Mr. FOSTER.—With reference to steamship communication, we might prepare a resolution giving our views of the necessity of improved and adequate and proper up-to-date steamship communication; that the West Indies, so far as their resources will admit, will contribute towards it, and that Canada will contribute generously, and that the mother country is expected to do something as well. I see in looking over the figures that the mother country has spent a deal of money for the West Indies, the whole idea being to get the West Indies started on the road to development. It may be that if we all join hands together and get to work in earnest the mother country would do the very best thing she could possibly do for the West Indies in joining with us in this matter. If you leave that to me I will try, with these reports before me to draw up a resolution or a statement, and when we come back on Monday we will take it up and put it in shape and pass it as a resolution of this conference. Of course, that will be altogether unofficial and will not bind us, but it will be an expression of opinion from the conference.

The conference then adjourned until Tuesday morning at ten o'clock.

## SIXTH DAY.

OTTAWA, TUESDAY, April 9, 1912.

The conference resumed its deliberations this morning.

The Hon. Mr. Foster presided and the delegates were in attendance.

The secretary read the minutes of the several meetings of the conference, which were approved of.

Mr. FOSTER.—I wish to bring to your attention some items, which I will ask you if you will be good enough to include in Schedule A, and which have not been mentioned up to the present. We have an abundance of fresh fruit, such as apples, which you import into the West Indies, and which we preserve by canning; we have also condensed milk, of which you consume a considerable quantity. I would, therefore, ask you to include in Schedule A: fruits, fresh, preserved and canned; and condensed milk.

Mr. WALCOTT.—In most of the colonies fresh fruits are free, and preserved and canned fruits are dutiable. In some of the colonies the duties are very high. We get very little, if any, preserved fruits now from Canada, but we do get condensed milk from you. Most of our preserved fruits are in the shape of crystallized fruits, and the duties are heavy on them. We get most of them from the United Kingdom.

Mr. FOSTER.—What about the canned fruits?

Mr. AUCHINLECK.—In Antigua, they pay a specific duty per pound. So far as I am concerned, I am willing they should be added to the list.

Mr. CAMERON.—Condensed milk is a big item.

Mr. WALCOTT.—Condensed milk is quite a large item with us and we get most of it from England. I believe there is a shilling a case on all milk containing nine per cent and over of milk fat; there is a prohibitive tax against anything containing less.

Mr. CAMERON.—We get canned fruit from the United States, and there is no reason why we should not get it from Canada if they can produce it in Canada.

Mr. FOSTER.—We produce a tremendous lot of it.

Mr. CAMERON.—We do not get very much in the West Indies from you.

Mr. GRIFFITH.—Canadian fruit is used throughout some of the West Indies.

Mr. WALCOTT.—The list we prepared for the Royal Commissioners in Trinidad; that is before they made their report, included condensed milk.

Mr. CAMERON.—It was put in as a possible article on which there might be interchange.

Mr. WALCOTT.—The Royal Commissioners left it out in their recommendation.

Mr. FOSTER.—I submit these items to you. I do not want to force them upon you, but I would be very glad to get them if you can agree.

Mr. ROXBURGH.—I am quite willing, so far as St. Kitts is concerned.

Mr. AUCHINLECK.—I will say the same for Antigua.

Mr. REID (British Guiana).—There is no objection from British Guiana.

Mr. WALCOTT.—I have no objection.

Mr. CAMERON.—There is no objection from us.

Mr. FOSTER.—Thank you very much, gentlemen.

Mr. COLLYMORE.—In the absence of our representative, I may say that I do not think there would be any objection on the part of Barbados.

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Mr. WALCOTT.—This will not apply to crystallized fruits.

Mr. FOSTER.—No.

Mr. WALCOTT.—I suggest that the item should read:—

Canned and bottled fruits.

Mr. FOSTER.—Very well.

It was agreed that these items, to be added to Schedule A, should read:—

Fresh fruits.

Canned and bottled fruits.

Condensed milk.

The Secretary was directed to insert these items, in his own handwriting, to the printed Schedule A, already adopted by the conference.

On the submission of a draft resolution in connection with cable communication, a discussion ensued.

Mr. CAMERON.—I think all the members of the conference are fully convinced, those gentlemen representing Canada as well as ourselves, of the urgent necessity existing, if this trade compact is to be really successful, and for other reasons which are obvious, that cable communication must be improved with the West Indies. A condition of things which compels a colony like British Guiana to pay 7 shillings a word for a cable business message is preposterous in modern days, and it is a thing that should not be allowed to continue longer than we possibly can help it. There are three proposals before us for improving cable communications—one is to buy out the existing cable lines altogether; another to subsidize a company to do the work; and the third, to pay a sort of a subsidy in the way of a guarantee, the company finding the capital to carry on the project, and the guarantee being a certain amount of interest on the capital involved. We, in the Islands, are diffident about undertaking any guarantee, because our revenue is limited and has not much elasticity in it, so that to undertake to guarantee an amount which we would not know the extent of, would be a risky proceeding for us. Of course, the mother country and Canada could afford to enter into a scheme of that kind, and if the amount of the guarantee which the West Indies would have to contribute in case of deficiency were limited to a maximum sum which they could afford to pay, I can conceive that such a scheme might be acceptable to the West Indies. We have to keep in mind the possible expansion in the use of the telegraph in these islands consequent upon the opening of the Panama Canal, and it may be that the reduction of rates in connection with that may be very considerable indeed. In view of this expansion of telegraphic business if there were an absolute subsidy guaranteed, it is conceivable that the Home Government, Canada, and ourselves, might be paying annually a sum of money to a company which was already reaping a very fine harvest from the business it was doing. However the matter may be arranged, we feel now that some definite step forward should be taken to show to the Home Government and to Canada that we are vitally interested in this matter, and that we are anxious to engage their sympathy and support. We are, of course, not in a position to take the mother country by the throat and insist that she shall do so and so. We have reason to believe that the most acceptable plan of accomplishing the object we have in view, would be this extension of the cable system which has been discussed for so long and by so many able experts. If we respectfully submit a resolution of this conference, the representatives of Canada and of the West Indian Colonies joining in it, I have no doubt we would receive consideration from the Home Government, and we may get to a conclusion of this matter, in which the business interests of the West Indies are so vitally interested, and which incidentally affects the question of Imperial Defence in these waters, which will loom up so largely when the Panama Canal is opened. I believe, if we can agree on a resolution here, that the matter will be forwarded a step.

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Mr. AUCHINLECK.—I cordially support what Mr. Cameron has said. So far as the Leeward Islands are concerned, we have not suffered to such an extent as the other colonies by the breakages in the West India Panama cable. I am not in a position to say that our annual contribution would be made larger than at present, but I think I may safely state that I represent the wishes of the mercantile community in the colony, when I say that they would be in favour of any step that would improve communication and cheapen the rates.

Mr. FOSTER.—We can consider the draft resolutions which have been submitted, and then we may come to a conclusion on them when we are in Toronto.

A draft resolution was also submitted with reference to steamship communication, and the consideration of this was also deferred to the meeting of the conference to be held in Toronto to-morrow.

The members of the conference then proceeded to the office of His Royal Highness the Duke of Connaught, Governor General of Canada, and in his presence each of the representatives signed the agreement in decuplicate.

His Royal Highness expressed his pleasure at being present on such an occasion, and trusted that the different legislatures concerned might find it possible to ratify the agreement.

The conference then adjourned, to meet in Toronto on Wednesday, the 10th day of April, 1913.



## SEVENTH DAY.

TORONTO, WEDNESDAY, April 10, 1912.

The conference resumed its deliberations at the King Edward hotel, in the city of Toronto, this morning.

The Hon. Mr. Foster presided.

The delegates were present.

## CABLE COMMUNICATION.

Mr. CAMERON moved, and Mr. AUCHINLECK seconded, the following resolution:—

The conference having considered the report of the sub-committee on cable communication between Canada and the West Indian colonies, accepts the views therein contained, and is of the opinion:—

(a) That in the interests of colonial and imperial commerce, administration and defence, improved and cheaper communication by cable is urgently required and should be secured at the earliest possible moment.

(b) That the most acceptable plan for the accomplishment of this object is by an extended all British cable system from Bermuda to Barbados, Trinidad, and British Guiana, with the necessary provision of auxiliary inter-island connections.

(c) That this can be effected through the medium of some responsible cable company by the co-operation of the West Indian colonies, Canada, and the Home Government either by guarantee against possible inadequacy of revenue or by the payment of supporting subsidies for a term of years in the proportion of one-third for each of the three parties to the agreement.

(d) That in every such arrangement a maximum rate per word should be fixed as a basis, and that the Canadian and British governments should exercise control of rates within that maximum.

(e) That to this end it is desirable that the Canadian Government should enter into communication with the Secretary of State for the Colonies, with a view to securing such consideration and action as may be necessary to bring about the speedy accomplishment of so desirable an object of colonial and imperial interest.

Mr. FOSTER.—My information is that the operation of the Halifax and Bermuda Line, with its extension to Jamaica, has been very satisfactory during the years it has been working. Their revenues have increased, they have paid much of their indebtedness, and the enterprise has all the earmarks of a successful commercial undertaking. It would seem to me that with the opening up of the West Indies, and the completion of the Panama canal, a very large expansion of cable traffic will take place, so that perhaps a guarantee of a fixed amount to make up the deficiency that a new company might experience would possibly be an advisable plan. I can quite understand that the smaller islands would not care to undertake any guarantee of an unknown amount, but these islands could make up their minds as to what maximum amount they would guarantee, and they would not be asked to go beyond that. There would be no objection on the part of Canada to your stipulating for a fixed maximum amount of guarantee, and on that basis it is quite open to believe that the guarantee

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system would be the cheapest in the end. If we grant a subsidy for a certain number of years, we might find after a few years that this company was deriving large revenues, and that we were continuing a subsidy which was not necessary. The guarantee system has something to favour it. In the case of the Pacific cable between Australasia and Canada, and which the British Government and Canada and Australasia guaranteed, there was a guarantee in the way of making up any deficiency, and with the increase of business on that cable system the deficiency is becoming less and less a burden every year, so that before the term provided for has expired it may be that the guarantee will sink to nothing.

The resolution was put to the meeting by the chairman and unanimously agreed to.

### STEAMSHIP COMMUNICATION.

Mr. GRIFFITH moved, and Lieut-Col. DAVIDSON-HOUSTON seconded, the following resolution on steamship communication:—

This conference, after careful consideration of the report of the sub-committee on steamship communications, desires to express its concurrence therein, and to urge upon the Home Government the extreme desirability of co-operating with the colonial and Canadian governments in providing an up-to-date and efficient service of steamships, specially constructed for and run in strict regard to the requirements of the trade between Canada and the West Indies. The itinerary of these steamers might be so arranged as to make sharp connections with the Canadian mail steamers plying between Canadian and British Atlantic ports with a view to establishing a quick and uniform service between Great Britain and the West Indies via Canada, and thus to stimulate travel and the interchange of products between the great Atlantic portions of the British Empire.

The motion was put to the meeting by the chairman and unanimously concurred in.

Printed unsigned copies of the agreement arrived at by the conference were distributed as follows:—

1. Mr. Walcott (Trinidad).
2. Mr. Reid (British Guiana).
3. Mr. Chandler (Barbados).
4. Mr. Cameron (St. Lucia).
5. Mr. Griffith (St. Vincent).
6. Mr. Auchinleck (Antigua).
7. Mr. Roxburgh (St. Kitts).
8. Mr. Porter (Dominica).
9. Col. Davidson-Houston (Montserrat).
10. Mr. Foster (Canada).

Mr. CAMERON (St. Lucia).—It is my privilege to ask you all to join in according a hearty and sincere vote of thanks to our esteemed chairman for the very able and courteous way in which he has presided over all our deliberations. I am sure that we have all been impressed with his wide knowledge of the subject we have had in hand, with his desire to ensure that every point should be made quite clear to the West India representatives, and the pains taken by him that all the diverse suggestions, opinions and wants of the several colonies represented should be fully heard and accorded the fullest consideration. From the very first, we from the West Indies have felt that we were sitting in a friendly family circle where we could speak out our minds without diffidence, without the fear of misunderstanding, and with full assurance of being listened to. The gathering has been one for the promotion of the individual interests of members of the family, but, while accomplishing this, the scope

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and effect of our agreement may, we feel, be of much wider dimensions, and we shall I hope, in time to come, look back with pride at having been members of this conference and helpers in the work of forging a very notable link in the chain of mutual benefit and close connection by which we desire to see all the different parts of our well-beloved empire bound together. If our conference has come to a successful issue, it is due very much to the lucid and painstaking way in which you, Mr. Foster, have explained difficulties, and the confidence you have inspired in us. I take this opportunity of thanking similarly the other Canadian representatives at the conference for their courtesy during the course of our discussions. We have all, I think, as was right, stood up stoutly for what we think our individual claims to be, and tried to do our duty to those who sent us here, but there has at the same time been manifested throughout a conciliatory spirit and a sense of recognition of our different standpoints and interests which are of the essence of success in a conference such as ours, and we have all seen, I think, where mutual concession was necessary and reasonable. In all these matters, Mr. Foster, your clear explanatory statements have been valuable in guiding us to right conclusions. I am privileged in being able to move this vote of thanks to you, which I do with the utmost heartiness and sincerity.

MR. ROXBURGH (St. Kitts).—This motion needs no formal seconding, because it meets with the hearty acclaim of all of us. We all feel with great sincerity that what Mr. Cameron has stated is true. We came here, knowing from your high position in the councils of the Empire, Mr. Foster, that we had in you, as a member of the conference, one who was not only a safe guide in matters of trade and commerce, but one who had hearty sympathy for the West Indies, which you visited some years ago. We have not been disappointed in you, sir; indeed your kindness to us has been greater than we had anticipated. You have helped us over many difficult points, and as Mr. Cameron has said, you have been a guide to us in our deliberations. We thank you most heartily, and the other Canadian members of the conference for their kindness to us. Perhaps I may be allowed now, sir, to say a single word of appreciation of the services of Mr. Owens our secretary. He has not only done his work most efficiently in the conference, but he has been kind and helpful to us outside of the conference itself. I ask that our thanks to Mr. Owens be inscribed on the minutes of the conference.

MR. FOSTER.—Your remarks, Mr. Cameron and Mr. Roxburgh, have been too kind towards myself, and I take them as an indication of your kindness of heart. Let me say that you have no better friend in me than you have in Mr. White and in Dr. Reid, both of whom were equally imbued with the spirit of determination to do what was fair and right. (Applause.) It is one thing to frame an agreement, and it is another thing to frame an agreement which will be a lasting one, and had we endeavoured to checkmate each other, and get the best of each other, the agreement formed under such conditions would not be so likely to last as that to which we have now come, founded, as it is, on mutual respect and mutual affection for each other as members of the same great Empire family. We, who represent the Dominion of Canada, started out with the idea that the West India Islands should get all that we could give them on fair terms, and we also approached it with the determination that each one of the islands should have recognition for that branch of production which was its specialty. I think we have been able to realize that idea. The delegate from each island can go home and tell his government that the special production of that island has not been omitted from the agreement. I believe that to be a strong element in the arrangement which we have made one with the other. I do not want to anticipate by too optimistic language what I think may be the outcome of this agreement. In 1890 I had the pleasure of visiting some of the West India Islands, and I found the arrangement of any trade agreement uphill work. I found it difficult to interest the members of the West India legislatures and of the business men of the colonies in the project, or to prove to them that at that time it was advantageous for them to enter into such an

arrangement. Of course, times have changed very much since. Canada has expanded and is able to take more of your products than she could in 1890, and the advantages no doubt of your trading with us are greater now than they were then. However, we have at last made an agreement; we have made it in mutual good will, and I feel that there is very little doubt about its ultimate success. I do not suppose there is any part of the world in which the imperial feeling is really stronger than it is in the Dominion of Canada.

Mr. ROXBURGH.—Except the West Indies.

Mr. FOSTER.—I presume that each can testify that the imperial feeling is strong in the part of the Empire he represents. I think I am safe in saying that outside the question of trade advantages, there was in our deliberations and in all our thoughts the idea that probably we were doing a little more than stimulating trade. There was, I think, in the minds of all of us, the idea that we were uniting the different parts of the British Empire closer together. Whatever may happen, and we do not know what may happen in the long future before us, we do hope that no less cordial relations will ever exist than exist now between us, and if, in the opinion of both countries, at some time in the future, without compulsion, without trying to announce the hour before the hour arrives, we can decide upon closer and more binding relations, I believe we will be able to find a way by which that can be methodically and practically carried out. In the meantime, let us make the best of what we have. (Applause.)

Dr. REID.—I thank you, gentlemen, for associating my name with that of Mr. Foster in the resolution which you have moved. I can assure you that in my opinion the whole credit for bringing us together at this time is due to Mr. Foster whom we in Canada recognize as one of the ablest men of the present day. I do not think there is any other man in Canada who could have filled the position of chairman of this important conference so well as he. We all know his deep interest in the question of bringing the different parts of the empire closer together, and I believe that the good work he has started at this conference, he will persist in until great results for the empire have been achieved. It is very pleasing for us all to know that the conference now closing has been so successful. I can say for Mr. White and for myself and for the Government of Canada as a whole, that we went into these negotiations with a determination to try and bring the West Indies closer to Canada, and to me personally it is a most pleasant experience that I have been associated with such a conference. I believe that more Canadians will visit the West Indies, and more people from the West Indies will visit Canada, and in that way that mutual respect will be developed. It remains for us now to do all that we can to work out the agreement which we have signed and to help it on to its full fruition.

On the motion of Mr. Roxburgh, seconded by Lieut.-Col. Davidson-Houston, the thanks of the delegates to the secretary were ordered to be inscribed on the minutes

The proceedings of the conference then terminated.

## CANADA-WEST INDIES CONFERENCE,—MINUTES.

## FIRST DAY.

OTTAWA, March 29, 1912.

The delegates from the West Indies met the Canadian representatives at 11 a.m. to-day, and went into conference.

Hon. Mr. Foster was elected temporary chairman, and Mr. Payne as temporary secretary, for the purpose of organizing the conference.

The credentials of the delegates were presented and approved as follows:—

Hon. GEORGE EULAS FOSTER, B.A., D.C.L., LL.D., Minister of Trade and Commerce;

Hon. JOHN DOWSLEY REID, M.D., Minister of Customs;

Hon. WILLIAM THOMAS WHITE, Minister of Finance; representing the Government of the Dominion of Canada.

HENRY BARCLAY WALCOTT, Collector of Customs, as representative, and Mr. Adam Smith, as adviser, for Trinidad.

JOHN MCINTOSH REID, Comptroller of Customs, as representative, and Mr. Charles Guy Austin Wyatt, as adviser, for British Guiana.

WILLIAM KELMAN CHANDLER, LL.D., C.M.G., Master in Chancery, as representative for Barbados, and Mr. F. A. C. Collymore, adviser.

EDWARD JOHN CAMERON, C.M.G., representative for St. Lucia.

FRANCIS WILLIAM GRIFFITH, Supervisor of Customs, as representative, and Mr. John Gregg Windsor Hazell, as adviser, for St. Vincent.

WILLIAM DOUGLAS AUCHINLECK, Auditor-General for the Leeward Islands, as representative, and John Jones Comacho, as adviser, for Antigua.

THOMAS LAWRENCE ROXBURGH, C.M.G., representative for St. Kitts.

WILLIAM HENRY PORTER, I.S.O., Treasurer, as representative, and James Colin McIntyre, as adviser, for Dominica.

Lt.-Col. WILFRED BENNETT DAVIDSON-HOUSTON, C.M.G., representative for Montserrat.

Permanent organization was completed by the election of Hon. Mr. Foster, as chairman, and Mr. T. P. Owens, as secretary.

It was decided to hold the several meetings of the conference in camera and to issue through the chairman a summary of the proceedings to the press at the end of each session.

The following were named a committee of the conference to take up the question of steamship communication between Canada and the West Indies and report to the conference:—

Mr. F. W. Griffith, St. Vincent, chairman.

Mr. E. J. Cameron, St. Lucia.

Mr. W. B. Walcott, Trinidad.

Mr. Foster, Canada.

Mr. White, Canada.

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The following were named a committee of the conference to examine into and report upon the cable and telegraphic facilities at present existing and possible betterment of the same and to report thereon to the conference:—

Mr. C. G. A. Wyatt, British Guiana, chairman.

Mr. A. Smith, Trinidad.

Mr. White, Canada.

Mr. T. L. Roxburgh, St. Kitts.

Dr. Reid, Canada.

Mr. F. A. C. Collymore, Barbados.

Mr. Foster welcomed the delegates from the West Indies, and spoke briefly on the desirability of closer trade relations between two portions of the British Dominions with such different climatic conditions and such variety of natural production.

Mr. Chandler, of Barbados, and Mr. Cameron, of St. Lucia, replied briefly, thanking Mr. Foster for his words of welcome and reciprocating his hopes for a successful outcome of the present negotiations.

The conference adjourned to meet on Monday.

(Sgd.) GEORGE E. FOSTER,  
*Chairman of the Conference.*

(Sgd.) THOMAS P. OWENS,  
*Secretary of the Conference.*

## SECOND DAY.

OTTAWA, MONDAY, April 1, 1912.

The conference resumed its deliberations at eleven o'clock this morning.

The Hon. Mr. Foster presided, and all the delegates were in attendance.

Mr. Foster presented the figures referred to in the evidence taken in Canada by the Royal Commission, extended so as to include the years 1910 and 1911.

The Draft Agreement, submitted by the Royal Commission, was considered, and clause 1 of the same adopted, after discussion.

Schedule A, as submitted by the Royal Commission, was considered and the following agreed to, viz:—

Fish, canned.

Fish, pickled.

Meats, salted or cured.

Meats, fresh, and poultry (dead).

Wheat flour.

Indian meal.

Rolled oats and oatmeal.

Cereal foods.

Oats.

Beans or peas, whole or split.

Coal, bituminous.

Butter.

Cheese.

Lard.

Hay.

Horses, cows, oxen, bulls, sheep, swine, and poultry (living).



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Brooms and brushes.  
 Cordage.  
 Agricultural machinery and implements of all kinds.  
 Iron and steel rails, spikes, rivets and clinches.  
 Machinery (including motor and other engines), steam boilers, electric machinery, and electric dental appliances of all kinds.  
 Vehicles, including automobiles and motor cars.  
 Wire, including barbed wire, woven wire fencing and metal gates.  
 Manufactures of india-rubber.  
 Paints, colours and varnishes.  
 Paper of all kinds, and manufactures of paper.  
 Vegetables of all kinds, including potatoes, onions, and canned vegetables.  
 House, office, cabinet, or store furniture of wood, iron, or other material; coffins, caskets, casket robes and linings, and casket hardware.  
 Doors, sashes and blinds.  
 Pianos and organs.  
 Starch.  
 Trunks, valises, travelling and tool bags, and baskets of all kinds.  
 Cement.  
 Glass bottles, lamps, lamp chimneys, and table glassware.  
 Nickel-plated, gilt, or electro-plated ware.

After discussion, the following were allowed to stand for further consideration:—

Calcium carbide.  
 Fish, dried, salted or smoked.  
 Meats, canned.  
 Soap.  
 Biscuits, not sweetened.  
 Boots, shoes, and slippers.  
 Planks, boards, deals, joists, scantlings, shingles, shooks, staves and heading.  
 To the item 'bran' the item 'pollard' was added.

The discussion on the Draft Agreement, submitted by the Royal Commission, was resumed.

On section 2, a discussion ensued on the sugar duties and the section was allowed to stand for further consideration.

The conference proceeded to the discussion of Schedule B, submitted in the report of the Royal Commission.

The following items in the schedule were agreed to:—

Sugar, molasses and syrups.  
 Bananas and pineapples.  
 Asphalt and manjak.  
 Coffee.  
 Copra and cocoanut oils.  
 Rubber, raw.  
 Bulbs.  
 Logwood and logwood extracts.  
 Annato.  
 Turtle shells, unmanufactured.  
 Salt.  
 Sponges.  
 Vegetables, fresh, including sweet potatoes, plantains, onions and yams.  
 Honey and beeswax.  
 Tamarinds, fresh or preserved.

On the item—'Oranges, limes, lime-juice (crude), and grape fruit.'

Mr. Porter submitted that the item should include:

Lime-juice (concentrated), citrate of lime, and lemons, tropical fruits of all kinds, as fully described in items 90, 91, and 101 of the Canadian tariff.

On the item—'Cocoa beans.'

Mr. Walcott asked for a preference on cocoa beans.

On the item—'Cocoanuts.'

Mr. Roxburgh asked that there be added 'cocoanut fibre.'

On the item—'Balata.'

Mr. Reid (British Guiana) asked for a small operative preference.

On the item—'Ginger and spices, unground.'

Mr. Walcott asked that 'nutmegs' be added.

On the item—'Rice, uncleaned.'

Mr. Reid (British Guiana) asked that—

'Rice, cleaned, rice meal, rice flour and bran' be added.

On the item—'Petroleum, crude.'

Mr. Walcott asked that there be added:

'Oils, coal and kerosene, distilled, purified or refined petroleum'

On the item—'Arrowroot.'

Mr. Griffith asked that arrowroot from the West Indies be placed on the free list.

On the item—'Oils, essential.'

Mr. Reid (British Guiana) asked that it include:

'Bay oil and otto of limes.'

On the item—'Molasquit.'

Mr. Reid (British Guiana) asked that there be added the words:

'And similar cattle food.'

Mr. Reid (British Guiana) asked that there be added:

'Diamonds, uncut.'

Mr. Cameron asked that there be added:

'Peanuts.'

Mr. Griffith asked that there be added:

'Rum and the preparations of rum.'

Mr. Reid (British Guiana) asked that there be added:

'Kola nuts.'

Mr. Cameron asked that there be added:

'Vanilla beans.'

'Timber and lumber of all kinds.'

Colonel Davidson-Houston asked that there be added:

'Bay leaves and papaine.'

Mr. Roxburgh submitted a list of omissions and additions to Schedules 'A,' 'B,' of the report of the Royal Commission, a new Schedule 'C' of West India products, now on the Canadian free list, to be made dutiable when imported into Canada from foreign countries, and Schedule 'D,' asking to have on the Canadian free list West Indian arrowroot, which is now dutiable.

These submissions, after discussion, were reserved for further consideration.

Mr. Wyatt, chairman of the West Indian section of the Committee on Cable Communication, presented the report of the committee.

Mr. Walcott (Trinidad) presented a statistical schedule of imports and exports of the colony for 1911.

The conference adjourned to meet to-morrow, April 2, 1912.

(Sgd.) GEO. E. FOSTER,  
Chairman of the Conference.

(Sgd.) THOMAS P. OWENS,  
Secretary of the Conference.

## THIRD DAY.

OTTAWA, Tuesday, April 2, 1912.

The conference resumed its deliberations at ten a.m. to-day.

Mr. Foster presided, and all the delegates were in attendance.

Mr. Chandler (Barbados) presented statistics of imports and exports of his colony.

Mr. Chandler submitted that to the item, 'Sugar, molasses and syrups,' in Schedule B, there be added:—

'Shredded cane.'

Agreed to.

The consideration of the draft agreement submitted by the Royal Commission was resumed.

Section 3 of the agreement was concurred in.

On sections 4 and 5 a discussion ensued as to direct shipments and improved steamship communication, and the sections were reserved for further consideration.

Sections 6 and 7 were considered, and discussion followed on the length of the term for which agreement should run, the representatives of the larger colonies advocating ten years instead of five, as provided in the draft agreement of the Royal Commission, and some of the representatives of the smaller colonies advocating a five years' term.

That West India cocoa be placed on the Canadian free list and a duty placed on foreign cocoa, was urged by Messrs. Porter, Chandler, Walcott and Cameron.

The following were named a committee to draft a provisional agreement and submit it to this conference:—

Mr. White (Canada),

Mr. Walcott (Trinidad),

Mr. Chandler (Barbados).

It was agreed that the following should be included in Schedule A:—

'Soap.'

'Boots, shoes and slippers.'

'Planks, boards, deals, joists, scantling, shingles, shooks, staves and heading.'

The conference adjourned to meet to-morrow, Wednesday, April 3, 1912.

(Sgd.) GEO. E. FOSTER,  
*Chairman of the Conference.*

(Sgd.) THOMAS P. OWENS,  
*Secretary of the Conference.*

## FOURTH DAY.

OTTAWA, WEDNESDAY, April 3, 1912.

The conference resumed its deliberations at ten o'clock this morning.

Mr. Foster presided, and all the delegates were present.

Mr. Foster read the report of the West Indian section of the committee on cable communication, and discussion ensued.

It was decided that a form of resolution on the subject be drafted, and later submitted to the conference for consideration.

Mr. Griffith presented the report of the West Indian section of the committee on steamship communication.

Mr. Foster presented a statement of amounts paid by Canada on account of subsidies to steamships to Cuba, Jamaica and the West Indies, for the fiscal years 1889-90 to 1911-12 inclusive.

And a discussion ensuing, it was agreed that a form of resolution on the subject of steamship communication should be prepared for submission to the conference.

The conference adjourned to meet to-morrow, Thursday, April 4, 1912.

(Sgd.) GEORGE E. FOSTER,  
*Chairman of Conference.*

(Sgd.) THOMAS P. OWENS,  
*Secretary of Conference.*

## FIFTH DAY.

OTTAWA, THURSDAY, April 4, 1912.

The conference resumed its deliberations this morning.

Mr. Foster presided.

All the members of the conference were present.

Mr. Porter presented a memorandum explaining the position of Dominica (See Appendix I.)

Mr. Reid (British Guiana) presented a memorandum showing the articles which the West Indian delegates desire should be added to Schedule B, together with amendments thereto. (See Appendix II.)

Mr. Griffith presented a memorandum giving the case of St. Vincent in regard to arrowroot. (See Appendix III.)

The amended draft agreement, prepared since the previous meeting of the conference, was considered. The discussion of the proposed sugar duties was resumed.

Further discussion took place on direct shipments and governmental control of railway and steamship rates.

The item in Schedule A—

‘Biscuits, not sweetened,’

it was agreed should read—

‘Bread and biscuits of all kinds.’

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It was agreed that 'cash registers' should be included in Schedule A.

It was agreed that—

'Linseed oil cake and linseed oil meal,'  
should be added to Schedule A.

Schedule A, as amended, was agreed to by the conference.

It was agreed that the item—

'Cocoa beans, crushed or ground,'  
should be stricken from Schedule B and transferred to Schedule C.

Mr. Reid (British Guiana) submitted that there be added to Schedule B, this item—

'Rice, cleaned, and rice flour and rice meal and rice bran.'  
Agreed to.

Schedule B, as amended, was agreed to by the conference.

Schedule C was agreed to as follows:—

Goods.	Duty when imported from any foreign countries.
Cocoa beans, not roasted, crushed or ground.	Not less than 75 cents per 100 lbs.
Lime-juice, raw and concentrated, but not refined.	Not less than 5 cents per gallon.

Schedule D was agreed to.

It was agreed that on arrowroot the produce of the colonies imported into the Dominion of Canada, the duties of customs shall not exceed 50 cents per 100 lbs.

The conference resumed consideration of the draft agreement and a discussion arising on the clauses of the said draft agreement, it was agreed that the further consideration of the matter be taken at the meeting of the conference to be held on Tuesday, the 9th of April.

It was agreed that the agreement should remain in force for ten years.

It was agreed on the request of Mr. Porter that this item should be added to Schedule C—

'Limes, fresh, not less than 10 per cent ad valorem.'

The conference adjourned until Tuesday, the 9th April, 1912, at eleven o'clock.

(Sgd.) GEORGE E. FOSTER,  
*Chairman of Conference.*

(Sgd.) THOMAS P. OWENS,  
*Secretary of Conference.*

## SIXTH DAY.

OTTAWA, TUESDAY, April 9, 1912.

The conference resumed its deliberations to-day.

Hon. Mr. Foster presided and all the delegates were in attendance.

The minutes of the several meetings of the conference were read by the secretary and approved.

Hon. Mr. Foster submitted that to Schedule A, there be added:

Fresh fruits.  
Canned and bottled fruits.  
Condensed milk.

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This was agreed to, and the secretary was directed to add these items in his handwriting to the printed Schedule A.

Mr. Cameron presented a motion on cable communication.

This motion was seconded by Mr. Auchinleck.

On the question of steamship communication, a motion was offered by Mr. Griffith (St. Vincent), and seconded by Lieut. Col. Davidson-Houston.

It was agreed that the consideration of the resolution with reference to cable communication and the resolution with reference to steamship communication, should be referred to a meeting to be held in Toronto to-morrow, to be called by the chairman of the conference.

The members of the conference then proceeded to the office of His Royal Highness the Duke of Connaught, Governor General of Canada, and signed the agreement in his presence.

His Royal Highness then expressed the pleasure he had at being present on such an occasion, and trusted that the different legislatures concerned might find it possible to ratify the agreement.

The conference then adjourned, to meet in Toronto, to-morrow, Wednesday, April 10, 1912.

(Sgd.) GEORGE E. FOSTER,  
*Chairman of the Conference.*

(Sgd.) THOMAS P. OWENS,  
*Secretary of the Conference.*

#### SEVENTH DAY.

TORONTO, WEDNESDAY, April 10, 1912.

The conference resumed its deliberations this morning, at a meeting held in the city of Toronto.

The Hon. Mr. Foster presided and the members of the conference were present.

#### CABLE COMMUNICATION.

Mr. Cameron proposed, and Mr. Auchinleck seconded, the following motion on the subject of cable communication between Canada and the West Indian Islands, which motion was unanimously agreed to:—

The conference having considered the report of the sub-committee on cable communication between Canada and the West Indian Colonies, accepts the views therein contained, and is of the opinion:

(a) That in the interests of Colonial and Imperial commerce, administration and defence, improved and cheaper communication by cable is urgently required, and should be secured at the earliest possible moment.

(b) That the most acceptable plan for the accomplishment of this object is by an extended all-British cable system from Bermuda to Barbados, Trinidad and British Guiana, with the necessary provision of auxiliary inter-island connections.

(c) That this can be effected through the medium of some responsible cable company by the co-operation of the West Indian Colonies, Canada, and the Home Government, either by guarantee against possible inadequacy of revenue or by the payment of supporting subsidies for a term of years in the proportion of one-third for each of the three parties to the agreement.



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(d) That in every such arrangement a maximum rate per word should be fixed as a basis, and that the Canadian and British governments should exercise control of rates within that maximum.

(e) That to this end it is desirable that the Canadian Government should enter into communication with the Secretary of State for the Colonies, with a view to securing such consideration and action as may be necessary to bring about the speedy accomplishment of so desirable an object of colonial and imperial interest.

## STEAMSHIP COMMUNICATION WITH THE WEST INDIES.

Mr. Griffith (St. Vincent) moved, and Lieut.-Col. Davidson-Houston seconded, the following resolution on steamship communication, which was unanimously agreed to by the conference:—

This conference, after careful consideration of the report of the Sub-committee on Steamship Communication, desires to express its concurrence therein, and to urge upon the Home Government the extreme desirability of co-operating with the Colonial and Canadian Governments in providing an up-to-date and efficient service of steamships, specially constructed for and run in strict regard to the requirements of the trade between Canada and the West Indies. The itinerary of these steamers might be so arranged as to make sharp connections with the Canadian mail steamers plying between Canadian and British Atlantic ports with a view to establishing a quick and uniform service between Great Britain and the West Indies via Canada, and thus to stimulate travel and the interchange of products between the great Atlantic portions of the British Empire.

A printed unsigned copy of the agreement arrived at by the conference was handed by Mr. Foster to each of the delegates as follows:—

1. Mr. Walcott (Trinidad).
2. Mr. Reid (British Guiana).
3. Mr. Chandler (Barbados).
4. Mr. Cameron (St. Lucia).
5. Mr. Griffith (St. Vincent).
6. Mr. Auchinleck (Antigua).
7. Mr. Roxburgh (St. Kitts).
8. Mr. Porter (Dominica).
9. Lieut.-Col. Davidson-Houston (Montserrat).
10. Mr. Foster (Canada).

Mr. Cameron moved, and Mr. Roxburgh seconded:—

That the cordial thanks of the delegates be tendered to Hon. George E. Foster for the able manner to which he presided over the deliberations of the conference, and to whose guidance of the deliberations the successful result of the conference is largely due.

The names of Hon. Mr. White, Minister of Finance, and of Hon. Dr. Reid, Minister of Customs, were coupled with this motion, which was cordially received by the delegates and adopted.

Mr. Foster and Mr. Reid replied, thanking the delegates for their courtesy and co-operation during the deliberations of the conference.

On the motion of Mr. Roxburgh, seconded by Lieut.-Col. Davidson-Houston, the thanks of the delegates to the secretary, Mr. T. P. Owens, were ordered to be inscribed on the minutes.

The proceedings of the Canada-West Indies conference then terminated.

(Sgd.) GEORGE E. FOSTER,

(Sgd.) THOMAS P. OWENS,

*Chairman of the Conference.*

*Secretary of the Conference.*

## APPENDIX I.

Mr Porter filed the following memorandum:—

## DOMINICA.

The value of the articles included in Schedule 'A' (which Canada either does or may be expected to supply under a preference) imported into Dominica is. . . . .	\$198,172
The loss of duty which the colony would suffer by granting a preference on these is estimated at. . . . .	8,025

In return for this, Canada offers a preference on the following, which alone of the articles on Schedule 'B' subject to duty in Canada we are able to supply, viz:—

Cocoanuts (402,600), value \$4,027, duty. . . . .	\$2,013
Ginger, spices and nutmegs, duty. . . . .	211
Essential oils of lime and bay oils, \$26,481, duty. . . . .	552
	\$2,776

The total amount of preference which Dominica might receive, supposing that Canada took her entire production of each of the above, is. . . . .	\$514
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The present trade is, however, confined to cocoanuts, duty. . . . .	\$223
And the proposed preference on this is only. . . . .	45

The staple products of Dominica are:—

Limes, 36,520 barrels, value. . . . .	\$ 70,118
Concentrated juice, 31,506 gallons, value. . . . .	110,467
Raw juice, 301,377 gallons, value. . . . .	49,819
Citrate of lime, 5,926 cwts., value. . . . .	92,445
Cacao, 1,126,188 lbs., value. . . . .	104,174

Of these Canada at present takes only:—

12,500 lbs. cacao, valued at. . . . .	\$1,157
227 barrels limes, valued at. . . . .	437
44,800 gallons raw juice, valued at. . . . .	7,180

An aggregate value of the products of the colony of only. . . . .	\$8,774
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The colony therefore asks for an effective preference as follows: on limes and lime products and cacao, by the imposition of a duty on similar articles imported from foreign sources, viz:—

Limes. . . . .	12c. per barrel.
Raw lime juice. . . . .	2c. per gallon.
Concentrated lime juice. . . . . say 5½c. per 100 oz. citric acid content.	
Cacao. . . . .	1c. per lb.

N.B.—It is to be observed that no market exists at present in Canada for either concentrated juice or citrate of lime.

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## APPENDIX II.

Mr. Reid (British Guiana) filed the following memorandum:—

MEMORANDUM showing the articles which the West India delegates desire should be added to Schedule 'B,' together with any amendments thereto.

Article.	Reasons for Desiring Addition or Amendment.
1. Shredded cane.. . . . .	Merely as a precautionary measure in case the shredded cane industry, now more or less in the experimental stage, should eventually prove a sound commercial proposition.
2. Fresh fruit of all kinds.. . . . .	Fruits and fruit products form the staple exports of some of the British West India Islands, and it is desired to get an operative preference on at least the main product of the respective colonies signing the agreement.
3. Lime juice, crude and concentrated, citrate of lime and other products of citrus fruits.	Chief staple products of Dominica and Montserrat. Undergoing large development at the present time in St. Lucia. See reason given above.
4. Coconut fibre.. . . . .	It is desired that this article at present on the Canadian free list should merely be added to the schedule so that in the event of a duty being imposed the British West India product would be entitled to preferential treatment.
5. Cotton seed oil and cotton seed meal.. . . . .	See explanation opposite item 4.
6. Rice cleaned, rice meal and bran.. . . . .	These articles at present enjoy a preference in the Canadian market, and it is desired to have these articles on the schedule because the rice industry in British Guiana is on the increase and is likely to become one of some importance.
7. Petroleum,—all illuminating and lubricating oils being products of petroleum, gasoline and other petroleum spirits.	The Trinidad oil industry is likely to become one of very important dimensions, and if these items could be put on schedule 'B' it would ensure a continuance of the preferential treatment now extended to these articles under the provisions of the existing Customs Tariff Act of Canada.
8. Nutmegs, unground.. . . . .	See explanation opposite item 6.
9. Vegetables, &c., add the words 'of all kinds.'	The addition of the words 'of all kinds' is merely to amplify the designation given in the schedule.
10. Oils essential—add the words 'including Bay oil and Otto of limes'	The addition of the words 'including Bay oil and Otto of limes' is merely to amplify the designation given in the schedule.
11. Molasses, substitute cattle foods made from molasses, including Molasses, Colco and Dominax.	Molasses is merely a trade name for a cattle food, and it is desired that a more comprehensive designation should be given.
12. Ground nuts.. . . . .	See explanation opposite item 6.
Diamonds, uncut.. . . . .	" " " 4.
Kola nuts.. . . . .	" " " 6.
Timber and lumber of all kinds.. . . }	" " " 4.
Vanilla beans.. . . . . }	" " " 4.
Papaine.. . . . .	" " " 6.

It is desired that the undermentioned articles which are now on the Canadian Free List should be given an operative preference when imported from the British West Indies. In other words, such articles should remain on the free list when imported from British territory, and should be subject to duty when imported from any foreign country:—

Reason for Desiring Removal from the Canadian Free List in the case of Imports from Foreign Countries.

Article.

- (a) Lime juice, crude and concentrated, citrate of lime and other products of citrus fruits. These articles are the chief staple products of Dominica and Montserrat, and an operative preference in Canada is desired if at all practicable on the main exports from the West Indies.
- (b) Cocoa beans. . . . . The production of cocoa is the largest staple industry of Trinidad, and during the trade year ended 31st December, 1911, the quantity exported from the island amounted to 444,561 cwts., with a value of £1,127,372 sterling. Unlike the sugar estates which chiefly are owned by absentee proprietors, the cocoa estates belong to a body of great influence who are not keenly in favour of the reciprocal arrangement and who would only acquiesce in a reciprocal agreement if some benefit to the cocoa industry is to accrue as a result of the arrangement. At present about 52 per cent of the Trinidad output of cocoa finds a market in the United States, and the cocoa proprietors, rightly or wrongly, are afraid of retaliation by the United States when a preferential arrangement is completed between Canada and the West Indies. The Canadian market for cocoa is in the near future likely to be an important one, and an operative preference on the raw material would have a great effect in reconciling the cocoa interests in Trinidad and the other cocoa-producing islands, e.g., Grenada, particularly as the cocoa industry will have to bear its share of any extra taxation which may be found necessary to make good any loss of revenue due to the establishment of preference. The total cocoa output of British colonies and protectorates for the year ended 31st March, 1910, amounted to over 140,000,000 pounds, fully covering any grade of cocoa which may be required by Canadian cocoa manufacturers, and thus there will be no necessity for the manufacturers to obtain cocoa from foreign countries in view of the fact that the present imports of raw cocoa of all grades in Canada amount to about 4,000,000 pounds.
- (c) Fruit as specified in items 90, 91 and 101 of the Canadian tariff. Fruit forms the most important exports of several of the British West Indies Islands, and the desire is that the staple exports of the various colonies should as far as possible receive preferential treatment in the Canadian market in order to ensure their adherence to the agreement.
- (d) Balata. . . . . Balata is a substance very similar to gutta percha obtained by tapping the trunks of *Mimusops globosa*, a large forest tree found in British Guiana and Trinidad. It is largely used in the manufacture of machinery belting, boot soles, &c. Supplies of Balata are as far as is known only obtained from the Guianas or the mainland of South America and adjacent territories. During

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the financial year ended 31st March, 1911, over 1,000,000 pounds of Balata were exported from British Guiana, and as this forms a fair percentage of the world's output of Balata, Canadian manufacturers could obtain all their supplies of Balata from British territory free of duty, so that the imposition of a duty on foreign Balata would not during the existence of the present agreement put Canadian manufacturers of the raw material to any inconvenience.

(e) Sugar cane molasses as described in item 137a of the Canadian tariff.

The British West Indies can supply more of this molasses than Canada can for a long time use for cattle foods. It is highly probable U.S.V.P. molasses is now coming in under this head for human consumption contrary to the provisions of tariff item 137.

Article now dutiable in Canada which it is desired should be placed on the Canadian free list:

Arrowroot. . . . . See schedule memorandum furnished by Mr. Griffith, St. Vincent.

## APPENDIX III.

Mr. Griffith filed the following memorandum:—

## ARROWROOT.

The island of St. Vincent produces annually from 4,000,000 to 5,000,000 pounds of arrowroot, and may, possibly, under very favourable conditions, produce as much as 7,000,000 pounds. Arrowroot is therefore one of its principal products. It is used as an article of diet for sick persons, as a starch for laundry purposes, as a sizing in the manufacture of cloth, and as an ingredient in the manufacture of cocoa, chocolate and biscuits. In the United Kingdom it is used in the manufacture of cocoa in preference to any other article.

At the present moment Canada imports from 90,000 to 100,000 pounds annually. It is desirable that the market which exists in Canada to-day for this commodity should be enlarged. But for this to be done effectually it is necessary that exporters should be able to place arrowroot in the Canadian market at a price which will enable it to compete on favourable terms with other starches coming in, principally from the United States.

The present rate of duty imposed in Canada is 15 per cent ad valorem. This amounts roughly to 1 cent per pound. If this duty is removed by placing arrowroot on the free list a market will be effectually created for a product which can be largely utilized by manufacturers as a raw material.

Now there is a growing trade between Canada and St. Vincent which has risen from nothing, to over £20,000 (\$100,000) per annum, with every prospect of a steady increase if reciprocal arrangements can be entered into.

But while St. Vincent is asked to make certain concessions to Canada there can be no corresponding benefit to the former unless special treatment is accorded to some of its articles of export.

The quantity of sugar and molasses exported is insignificant. All the cotton grown goes to the United Kingdom. Cocoa is already on the Canadian free list. Arrowroot therefore remains the one product on which St. Vincent can benefit by a reciprocal arrangement with Canada, and failing preferential treatment of that article by Canada it is difficult to see what benefit would accrue to St. Vincent as the result of the present negotiation.

St. Vincent is in its way a large importer of Canadian flour, and if that colony is to be asked to grant preferential treatment amounting to 22½ cents per barrel it is not too much to expect that some special treatment should be accorded to the only product which can benefit by such an arrangement as is proposed.

The request is that St. Vincent arrowroot be placed on the Canadian free list, and so enable a market to be secured in Canada for an article which can be largely used as a raw material in local manufactures.

(Signed) FRANCIS W. GRIFFITH,

OTTAWA, April 3, 1912.



AGREEMENT

BETWEEN

CANADA

AND CERTAIN OF THE

WEST INDIA COLONIES



## AGREEMENT BETWEEN CANADA AND CERTAIN OF THE WEST INDIA COLONIES.

AGREEMENT entered into this 9th day of April by the Government of His Majesty's Dominion of Canada, represented herein by the Honourable George Eulas Foster, Minister of Trade and Commerce, the Honourable William Thomas White, Minister of Finance, and the Honourable John Dowsley Reid, Minister of Customs.

AND

The Governments of:

Trinidad, represented herein by Henry Barclay Walcott, Collector of Customs:  
British Guiana, represented herein by John McIntosh Reid, Comptroller of Customs:

Barbados, represented herein by Dr. William Kelman Chandler, LL.D., C.M.G., Master in Chancery;

St. Lucia, represented herein by Edward John Cameron, C.M.G., Administrator of the Colony;

St. Vincent, represented herein by Francis William Griffith, Supervisor of Customs;

Antigua, represented herein by William Douglas Auchinleck, I.S.O., Auditor General;

St. Kitts, represented herein by Thomas Laurence Roxburgh, C.M.G., Administrator of the Presidency;

Dominica, represented herein by William Henry Porter, I.S.O., Treasurer, and  
Montserrat, represented herein by Lieutenant-Colonel Wilfrid Bennett Davidson-Houston, C.M.G., Commissioner of the Presidency.

It is agreed between the Government of the Dominion and the Governments of the above-mentioned Colonies severally that:

1. On all goods enumerated in Schedule A, being the produce or manufacture of Canada, imported into any of the above mentioned Colonies, the duties of Customs shall not at any time be more than four-fifths of the duties imposed in the Colony on similar goods when imported from any foreign country; provided that on flour the preference in favour of Canada shall not at any time be less than 12 cents per 100 lbs.

2. On all goods enumerated in Schedule B, being the produce or manufacture of any of the above mentioned Colonies, imported into the Dominion of Canada, the duties of Customs shall not at any time be more than four-fifths of the duties imposed on similar goods when imported from any foreign country; provided:

(a) That on raw sugar not above No. 16 Dutch Standard, in colour, and molasses testing over 56 degrees and not over 75 degrees by the polariscope, the preference in favour of the Colony shall not at any time be less than  $4\frac{1}{2}$  cents per 100 lbs., and for each additional degree over 75 degrees the preference shall not be less than  $\frac{1}{2}$  cent per 100 lbs.

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(b). On all goods enumerated in Schedule C hereto, being the produce or manufacture of any of the above mentioned Colonies, imported into the Dominion of Canada there shall be no duties of customs; but on the like goods, when imported from any foreign country, the duties of customs shall not be less than those therein set out.

(c) The Act of Parliament of Canada entitled "An Act respecting duties of Customs" assented to on the 12th day of April, 1907, as amended by Chapter 10 of the Acts of the Parliament of Canada, 1909, shall, in addition to the amendments necessary to give effect to the foregoing provisions of this section, be amended as follows:—

(1) Tariff item 135c to be repealed.

(2) Tariff item 137a to be repealed.

(3) So as to provide that upon arrowroot the produce of any of the said Colonies imported into the Dominion of Canada the duties of Customs shall not exceed fifty cents per one hundred pounds.

(d) It is understood that the Canadian Customs tariff item 135b shall not be affected by section 2 of this agreement before the end of December, 1914, when the said tariff item expires, and that the said tariff item shall not be thereafter continued while this agreement is in force. It is also understood that in determining the rates of duty payable on goods under said section 2 the rates provided for in said tariff item 135b shall not apply.

3. The concessions granted under section 2 by Canada to any of the above-mentioned Colonies shall be extended to all the other Colonies enumerated in Schedule D for a period of three years from the day on which this agreement shall come into operation, and at the end of such period of three years such concessions to the other Colonies may cease and determine as respects any of the said Colonies which shall not have granted to Canada the advantages set forth in section 1.

4. The Governments of any of the above mentioned Colonies may provide that to be entitled to the concessions granted in section 1, the products of Canada shall be conveyed by ship direct without transshipment from a Canadian port into the said Colony or by way of one of the other Colonies entitled to the advantages of this Agreement.

5. The Government of Canada may provide that, to be entitled to the concessions granted in section 2, the products of any of the above mentioned Colonies shall be conveyed by ship direct without transshipment from the said Colony or from one of the other Colonies entitled to the advantages of this Agreement into a sea or river port of Canada.

6. Provided that should the discretion herein granted be at any time exercised by the Government of Canada, provision shall be made in all contracts entered into with steamships subsidized by the Dominion plying between ports in Canada and ports in the Colonies, which are parties to this Agreement, for an effective control of rates of freight.

7. This Agreement shall be subject to the approval of the Parliament of Canada and of the Legislatures of the above mentioned Colonies, and of the Secretary of

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State for the Colonies, and upon such approval being given it shall be brought into operation at such time as may be agreed upon between the contracting parties by a Proclamation to be published in the 'Canada Gazette' and in the Official Gazette of each of the said Colonies.

8. After this Agreement shall have been in force for the period of ten years it may be terminated by any one of the parties thereto (in respect of such party) at the end of one year after the day upon which notice shall have been given by the party desiring such termination.

In testimony whereof the said parties have signed this Agreement in duplicate.

Done at Ottawa this 9th day of April, in the year of Our Lord, one thousand nine hundred and twelve.

## SCHEDULE 'A.'

Schedule of Canadian goods to enjoy the benefits of the Customs Preferential Tariff when imported into the Colony:—

- Fish, canned.
- Fish, dried, salted or smoked.
- Fish, pickled.
- Meats, salted or cured.
- Meats, canned.
- Meats, fresh, and poultry (dead).
- Wheat flour.
- Indian meal.
- Rolled oats and oatmeal.
- Cereal foods.
- Bran and pollard.
- Bread and biscuits of all kinds.
- Oats.
- Beans, and peas whole or split.
- Coal, bituminous.
- Butter.
- Cheese.
- Lard.
- Hay.
- Horses, cows, oxen, bulls, sheep, swine, and poultry (living).
- Brooms and brushes.
- Boots, shoes, and slippers.
- Cordage.
- Agricultural machinery and implements of all kinds.
- Iron and steel nails, spikes, rivets and clinches.
- Wire (including barbed wire), woven wire fencing, and metal gates.
- Machinery (including motor and other engines), steam boilers, electric machinery, and electric dental appliances of all kinds.
- Vehicles, including automobiles and motor cars.
- Manufacture of of India-rubber.
- Paints, colours and varnishes.
- Paper of all kinds and manufactures of paper.

Vegetables of all kinds including potatoes, onions, and canned vegetables.  
 Soap.  
 House, office, cabinet, or store furniture of wood, iron, or other material, including cash registers, coffins, caskets, casket robes and linings, and casket hardware.  
 Planks, boards, deals, joists, scantling, shingles, shooks, staves and heading.  
 Doors, sashes and blinds.  
 Pianos and organs.  
 Starch.  
 Trunks, valises, travelling and tool bags, and baskets of all kinds.  
 Cement.  
 Glass bottles, lamps, lamp chimneys, and table glassware.  
 Nickle-plated, gilt, or electro-plated ware.  
 Calcium carbide.  
 Linseed oil cake and linseed oil cake meal.  
 Fresh fruits.  
 Canned and bottled fruits.  
 Condensed milk.

#### SCHEDULE 'B.'

Schedule of West Indian products to enjoy the benefits of the Customs Preferential Tariff when imported into Canada:—

Sugar, molasses and syrups.  
 Shredded sugar cane.  
 Fresh fruits of all kinds.  
 Cocoanuts.  
 Asphalt and manjak.  
 Coffee.  
 Cotton, raw, cotton seed and cotton seed meal.  
 Cotton seed oil.  
 Rice, uncleaned, rice cleaned, and rice flour and rice meal, and rice bran.  
 Petroleum, crude.  
 Oils, coal and kerosene, distilled, purified or refined petroleum.  
 Copra and coconut oil.  
 Rubber, raw and balata.  
 Bulbs.  
 Logwood and logwood extract.  
 Annatto.  
 Turtle shell, unmanufactured.  
 Ginger, nutmegs and spices, unground.  
 Arrowroot.  
 Salt.  
 Sponges.  
 Vegetables, fresh, of all kinds.  
 Tapioca and cassava.  
 Tapioca and cassava flour.  
 Honey and beeswax.  
 Oils, essential, including bay oil and otto of limes.  
 Tamarinds, fresh or preserved.  
 Cattle food containing molasses.



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Pea nuts and kola nuts.  
 Diamonds, uncut.  
 Timber or lumber of wood not further manufactured than sawn or split.  
 Timber or lumber of wood, dressed.  
 Vanilla beans.  
 Bay leaves.  
 Papaine.  
 Lime juice, fruit syrups, and fruit juices, non-alcoholic.

## SCHEDULE 'C.'

*Duty when Imported from any Foreign Country into Canada.*

GOODS.	DUTY.
Cocoa beans, not roasted, crushed or ground.	Not less than 75c. per 100 lbs.
Lime juice, raw and concentrated, not refined.	Not less than 5c. per gallon.
Limes, fresh.	Not less than 10 per cent. <i>ad valorem</i> .

## SCHEDULE 'D.'

*Colonies to enjoy for a limited time benefit of agreement with Canada.*

Bahamas.  
 Bermuda.  
 British Honduras.  
 Grenada.  
 Jamaica.  
 Newfoundland.





