

population is widely scattered over a long and heavily indented coast line. None of these conditions affect to a like extent the relations between themselves of the other nations whose representatives sit at this Conference. We still look to the outside world for capital, for finance and for most of the articles of daily use and consumption.

For example. One of the most important items already referred to by those who have preceded me is that of the Money Standard of the Empire. In Newfoundland all the banking and financial arrangements are made through the four largest chartered banks in Canada. We have no banks of our own. The rates of exchange on London or New York are settled for us in Montreal by conditions of the trade of Canada with these centres, so that in dealing with Imperial Currency, our interest at present is, as it will be for very, very many years to come, bound up with that of Canada. We will follow her decision at this Conference on this question with keen interest.

The main object of this Conference is to increase the trade between every country of the Commonwealth with the other and, in so far as possible, to accomplish this end without decreasing the trade at present done with other countries. The spectre of trade depression with its consequent evil of unemployment, has made us turn our eyes inward. As members of a large and dispersed family we seek in time of distress to help one another. Various specifics have been suggested, Imperial Free Trade, Imperial Preference and so forth, but whatever may be the panacea which will ultimately cure the ills from which we suffer, it is clear that this Conference will consider as its basis variations in our respective tariffs. In all your countries, gentlemen, the tariff is used for the two purposes of protection for your industries, and for the raising of revenue. In Newfoundland the situation is different. Customs and excise receipts are at least seventy-five per cent of our total revenue. The geographical and other characteristics of the country make it impossible to collect any substantial portion of our revenue by direct taxation. A revision downward of our tariff in favour of our Imperial partners, desirable though we may consider it to be, is therefore an object very difficult to accomplish.

Our export trade goes almost exclusively to countries outside the Empire. Our fish, our most valuable industry of all, to the extent of almost two-thirds goes to Southern and Southeastern Europe and to Brazil. Of our newsprint over one-half goes to the United States of America, and of our minerals over two-thirds has of recent years gone to Germany, Holland and Belgium. On the other hand our purchases, as to two-thirds, are made within the Empire.

You will understand from this cursory summary how difficult it is for us to do what we would like to do, namely, to offer general exchange of tariff privileges between you and ourselves.

There is no reason, however, why the balance of our imports should not be purchased within the Empire, and particularly from England and from Canada. While it might not be possible to revise the tariff downwards, there would seem to be no reason why this balance should not be directed into Commonwealth channels by a restriction upon imports from other countries in exchange for their assistance in solving the problems with which we are faced. I stress this suggestion especially when I feel that its acceptance will not ultimately entail any sacrifice upon the acceptors. In order to explain to those of the Conference who are not familiar with the special conditions to which my comments have been directed, I again will illustrate my point by a couple of instances which Newfoundland will ask the Conference to consider.

In Bell Island there are vast iron ore deposits operated by a company using capital obtained from England and Canada, employing men exclusively from Newfoundland. This company exports a portion of its ore to Canada, where it uses Canadian coal, and Canadian labour in manufacturing steel and the by-products from the ore. Its capital is British, its ore is British, its labour is British; its product is distinctly and completely British, but for years the company has been able to find a market for a very large portion of its production at Bell Island only in Continental Europe. On the other hand the steel manufacturers of Great Britain are and have been for many years using ore obtained from countries outside the Empire. I submit to the Conference that this is a subject calling for its consideration. It is typical of the class of subjects which has called it into existence.

Again in a general way may I refer to the competition with which we in Newfoundland are faced in trading in round and sawn lumber. The present Government has not yet settled any policy as to the development of our vast timber territories in Newfoundland and in the Labrador. If it is decided that