

Customs Tariff

source is the United States. Last year imports from the United States amounted to \$36 million. The imports from other countries are relatively small by comparison. The next largest source was Japan, from which the imports amounted to \$2,600,000.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Benidickson: Mr. Chairman, I think when we adjourned for luncheon we were discussing item 522(3), women fabrics, cotton, coloured. Is this the item which would include the bulk of most cloths which might go into the production of ladies' dresses and things of that kind?

Mr. Fleming (Eglinton): Yes.

Mr. Benidickson: I think I raised the question before the adjournment as to whether the minister would tell the committee what is the next largest item in the schedule in relation to volume of imports. He indicated that this involved imports of about \$45 million last year. I wonder if he could even go beyond the second item and give us two or three illustrations so we would be more knowledgeable in the committee about the items which are important.

Mr. Fleming (Eglinton): Item 520a, raw cotton, \$52,866,000. Item 523a, \$22 million in round figures; that is clothing and manufactures. Item 522(2), bleached cotton fabrics, \$4,200,000 in round figures. Then item 522(1), the unbleached cotton fabrics, \$10 million.

Mr. Benidickson: So we are dealing with items which in dollar volume of trade are very important in connection with the concessions with which we are presented, which this government has decided to give largely to the United States in reductions of duty. Am I right in thinking that the next item, 523a, clothing, wearing apparel, etc. is a substantial item also because it involves in trade \$22 million, if that is what the minister said?

Mr. Fleming (Eglinton): I did mention item 523a, clothing, \$22 million. I think the hon. member is not quite right in the conclusion he stated at the opening of his remarks just now. Many of the commodities have not any changed rates here. There are changes in rates as applied to some specific items here as indicated in italics, but many of these items are not changed. In the case of the changes, those which came from the tariff

[Mr. Fleming (Eglinton).]

board—and these are all in that category—show some increases and some decreases, as I pointed out at the time of the budget speech.

Mr. Benidickson: Yes, Mr. Chairman; but on the items we are discussing, with regard to item 522(3), coloured woven fabrics, wholly of cotton, we have had trade with the United States amounting to \$45 million. Is the minister not proposing an increase of some 5 per cent in the tariff here? How does that affect the cost, say, of a woman's dress; shall I say the average cost, because I know the amount would vary considerably. If this ordinary type of woven cotton fabric was imported and the tariff increase was 5 per cent, what effect might that have on the eventual cost to the consumer in this country who was buying a modestly priced lady's dress?

Mr. Fleming (Eglinton): The increase is not as great as that indicated by the hon. member; it is probably about 3 per cent. The actual comparison appeared in the pamphlet in which the resolutions were put before the committee of ways and means; but as applied to women's dresses in particular, I am told that on a \$5 purchase this could make a difference of about 3 cents.

Mr. Benidickson: Is my hon. friend referring to the dress? I take it that he quarrels with me on relating the difference between the old rate of 17½ per cent and 3 cents per pound and the new proposed rate of 22½ per cent. I can quite understand when he says that does not mean a difference of 5 per cent. I think there is a difference of opinion between the trade and the department as to whether it is what the minister says, namely 2 per cent, or whether it is 3 per cent. Is there any new opinion on this since the dispute arose?

Mr. Fleming (Eglinton): No, Mr. Chairman; the figure, as I mentioned, was 3 per cent. I indicated that this might mean on a woman's dress 3 cents on a \$5 purchase. This is the estimate given by the primary textiles institute. The department has given me an estimate of 3.9 cents on an article costing \$8.95.

Mr. Benidickson: I assume that is on the cost to the manufacturer, and there is an assumption that the—

Mr. Fleming (Eglinton): That is the retail price.

Item agreed to.

Items 520b, 521, 523a, 523b, 524, 530a, 530b, 530c, 530d, 531a, 531b, 531c, 531d, 532d, 532e, 550, 551a, 551b, 552a, 552b, 553 agreed to.