

*Customs Tariff*

Mr. DUNNING: This is unchanged in wording or rates but it no longer provides for specific duties under the intermediate tariff on dressed rabbit skins.

Mr. BENNETT: I understood the minister to say it did not affect Australian exports.

Mr. DUNNING: No. The Australians have not really raised the point and they have not been able to do anything under the rabbit skin preference. They did not send us dressed skins at all.

Mr. BENNETT: What will happen under the intermediate tariff if it is desired to import a thousand rabbit skins from the United States? What would be the rate?

Mr. DUNNING: Fifteen per cent flat.

Mr. BENNETT: Without any rate per dozen?

Mr. DUNNING: Yes. They do not come from the United States. The chief source is Belgium.

Item agreed to.

Customs tariff—607, part 2: Leather, as hereunder described, but not to include suedes, Cabrettas, Spanish capes or African capes, when imported by manufacturers of gloves or leather clothing, for use exclusively in manufacturing gloves or leather clothing in their own factories. viz.:—(i) made from sheep-skins: British preferential tariff, 5 per cent; intermediate tariff, 7½ per cent; general tariff, 20 per cent.

(ii) n.o.p.: British preferential tariff, 5 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. DUNNING: I have had a lot of trouble with this item. I will tell the committee frankly what it was. The case is a curious one. Prior to the Canada-United States trade agreement there was a reference to the tariff board by my predecessor in office of a request from glove manufacturers for a reduction in the duty from 20 per cent to 10 per cent. The coming into effect of the Canada-United States agreement automatically placed the duty on these leathers at 7½ per cent, and immediately, of course, the applicants for a reduction to 10 per cent withdrew their application, having secured under the Canada-United States agreement a rate less than they were applying for.

Mr. BENNETT: Which was applicable to other countries.

Mr. DUNNING: That left the matter more or less up in the air. There was made available to me the information which the tariff board had collected on the matter prior to the date of the withdrawal of the application, and on that basis we endeavoured to

[Mr. Dunning.]

do the best we could with the question. Since the item as drafted has been published we have had further representations which move me to ask the committee to change the item to read as follows:

Leather, consisting of beef-cattle hides, horse hides, and sheep skins, but not including suedes, Cabrettas, Spanish capes or African capes, when imported by manufacturers of gloves or leather clothing, for use exclusively in manufacturing gloves or leather clothing in their own factories: British preferential tariff, 5 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. STEVENS: That is the same reading as the old item.

Mr. DUNNING: As the old item in the tariff, yes, but it is an adjustment of the rates. It is a matter of weighing the relative merits of the contentions of the glove leather manufacturers and of the glove manufacturers, and as between different types of leather in relation to the same ultimate commodity, and I think the suggestion I am now making represents a fair weighing of the whole situation.

Mr. STEVENS: What are the rates?

Mr. DUNNING: The rates are 5, 15 and 20 per cent.

Mr. STEVENS: This raises the intermediate tariff to 15 per cent?

Mr. DUNNING: Yes, on some kinds of leather.

Mr. BENNETT: Yes. It becomes a new item, then, altogether?

Mr. DUNNING: It is an amendment, and goes back in wording to the existing tariff item.

Mr. BENNETT: Yes, but the horse hide item is the item about which there was much discussion. The hon. gentleman knows that.

Mr. DUNNING: Yes.

Mr. BENNETT: The old rate on it from abroad under the general tariff was 20 per cent, but under the intermediate it is only 7½ per cent.

Mr. DUNNING: Yes.

Mr. BENNETT: That is now going to be doubled.

Mr. DUNNING: On the intermediate.

Mr. BENNETT: Is that quite fair? I put it to the minister in this way: Before the late government went out of office I received many communications about this glove item. It has not been satisfactory in recent years.