

Customs Tariff

Representations were made to me by those in Canada who produce the finest type of lithographic work that their products should not be placed in quite the same class for duty purposes as the cheaper products of the printer's art. It just amounted to this, that on the finest type of art work the degree of tariff worked out ad valorem to slightly under five per cent, whereas with respect to advertising in bulk of the cheaper type it might well run up to and did go as high as from thirty to forty per cent. By the means adopted here, of a specific duty but with a minimum ad valorem, it is hoped to equalize that factor.

Mr. BENNETT: I followed the hon. gentleman; he need have no misapprehension in that regard. I only point out that we have reduced the duty payable on imports from the United States by $7\frac{1}{2}$ per cent.

Mr. DUNNING: More than that.

Mr. BENNETT: It would be a little more having regard to value, but it still remains $12\frac{1}{2}$ cents a pound; there is no change in that. It used to be 15 cents a pound under the intermediate, so there is $2\frac{1}{2}$ cents a pound less on advertising coming in from the United States, plus a reduction of $7\frac{1}{2}$ per cent ad valorem, if the conditions mentioned were to obtain; that is, a minimum of $27\frac{1}{2}$ per cent instead of 35 per cent. Now if our importations for the year ended March, 1935, from the United States, paying a minimum of 35 per cent and 15 cents a pound, were as large as the hon. gentleman indicated, not the whole \$800,000 but a substantial part of it, I question whether ample protection has been given to the Canadian industry against the class of competition it has to meet. I recall pretty definitely that when we increased the rate it was in consequence of the advertising competition we had to meet; we made a minimum rate of 35 per cent as against the old rate, and that increase did have the effect of adding to employment in Canada and developing to no inconsiderable degree the artistic talents of Canadian workmen and workwomen in the various advertising agencies in the country.

The trade agreement, of course, necessitated our dealing with the intermediate tariff instead of the general. The United States had been on the general and are now on the intermediate, and dealing with the intermediate we have provided that they shall pay a rate of not less than $27\frac{1}{2}$ per cent ad valorem; but the base rate, instead of being 15 cents a pound, as it was for the year ended March 31, 1935, has become $12\frac{1}{2}$ cents a pound. So we have really done this: We

[Mr. Dunning.]

have reduced the base rate from 15 to $12\frac{1}{2}$ cents a pound on advertising coming in from the United States, which amounts to a considerable reduction, and then in addition we have said that in any event the duty paid on this advertising shall not be less than $27\frac{1}{2}$ per cent of its value, whereas for the year ended March 31, 1935, the ad valorem provision was 35 per cent. The two together must mean a very substantial additional competition to be met by Canadians with a limited production as against the mass production of their great competitors.

Has the minister the figures of the United States imports as distinguished from other countries?

Mr. DUNNING: The imports from the United States for the last few fiscal years expressed in dollars are as follows: 1931, \$2,044,000. There appears to be in my figures a jump to the year 1934, when the imports amounted to \$649,000; there was an increase in 1935 to \$826,000, and for the fiscal year 1936 an increase to \$943,000.

Mr. BENNETT: Three months of 1936 would be under the agreement.

Mr. DUNNING: Yes, three months would be under the treaty and therefore not subject to the limitation which is now being imposed. Production in Canada amounted in 1934, the last figures we have, to \$2,000,000 for catalogue production, and for printed advertising matter, \$13,100,000.

Mr. BENNETT: I confess, Mr. Chairman, that I was more surprised at this item than at almost any other item with which I have had to deal in the tariff. The Canadian business in this one item amounts apparently to \$15,000,000.

Mr. DUNNING: Enormous.

Mr. BENNETT: An enormous business. I could hardly credit it when it was first brought to my attention. I scarcely thought it possible that we were producing so much, apart altogether from newspaper advertising. Our production amounted to \$1,250,000 or \$1,500,000 a month. I think it would have been well to leave that intermediate tariff at 35 per cent, having regard to what our own experience was. I have heard the reasons adduced against it, but I doubt, and there is some reason for it in the figures the minister has given, whether this will be sufficient protection. For three months of the period for which the minister gave the figures the duty was $12\frac{1}{2}$ cents a pound, without restriction, and it may well be that the steps now taken will tighten that up; I believe they will,