

Canada-United Kingdom Trade Agreement

Customs tariff—523a. Woven fabrics, wholly of cotton, bleached or mercerized, not coloured, n.o.p.: rate of duty, 20 per cent.

Mr. DUNNING: No change.

Item agreed to.

Customs tariff—523b. Woven fabrics, wholly of cotton, printed, dyed or coloured, n.o.p.: rate of duty, 20 per cent.

Mr. DUNNING: There is a reduction from 22½ to 20 per cent. The specific duties were removed in the last budget. Our imports last year from the United Kingdom of printed cloths amounted to \$1,105,000. In piece dyed cloths our imports from the United Kingdom were \$1,750,000, and in woven fabrics, cotton yarn dyed, our imports from the United Kingdom were \$394,000.

Mr. HEAPS: Has the minister the same figures for our imports from the United States?

Mr. DUNNING: Yes. Our imports from the United States of woven fabrics of cotton, printed, were \$311,000; of woven fabrics of cotton, piece dyed, \$534,000, and of woven fabrics of cotton, yarn dyed, \$131,000.

Mr. BENNETT: They carried a specific duty?

Mr. DUNNING: Yes.

Mr. HEAPS: May I ask under what item denim would come?

Mr. DUNNING: If it is wholly of cotton, the ordinary plain blue denim, it would be under this item.

Mr. HEAPS: I presume there are different colours, blue, green, and so on. Personally I should like to see this duty reduced a little further, because I do not see the necessity for this very high protection on this class of goods, which is very largely manufactured in this country as well as in the United States. I believe there is very little denim imported from the United Kingdom. I understand further that in the corresponding item dealing with manufactured goods there has not been a reduction made, so that while there is a reduction under this item on denim coming into this country there has been no reduction in the duty on overalls and other finished articles. I understand some complaint has been registered with the department in this regard.

Mr. DUNNING: No, the complaint was just the reverse.

Mr. HEAPS: I was trying to get my facts correct; but complaints have been made.

Mr. DUNNING: By manufacturers of overalls.

[Mr. Dunning.]

Mr. HEAPS: I should like the minister to discuss that aspect, and I was wondering if the matter could not be adjusted by bringing the tariff in both cases down to a proper level so that Canadian manufacturers would not be placed at a disadvantage.

Mr. DUNNING: It will be remembered that a year ago the budget removed the specific duty on the raw material coming from Great Britain.

Mr. BENNETT: Under the preference.

Mr. DUNNING: Yes. Last year also the specific duty was removed from the finished article in order that the advantage of the reduction might be passed on to the consumer. By this we are still further reducing the duty on the raw material from the United Kingdom to the manufacturers of overalls.

Mr. HEAPS: But I am told none of that material comes from the United Kingdom.

Mr. DUNNING: I query the suggestion that plain denim is not imported and cannot be secured from the United Kingdom, rather than from the United States.

Mr. HEAPS: When I worked at my trade a number of years ago I used considerable quantities of denim and at that time none of it was purchased in the United Kingdom. It is practically all Canadian or United States production. There is not a great deal of it coming from the United States, because the Canadian manufacturer usually puts his price at a level where it does not pay to import denim. The price of denim is maintained at a certain figure, plus the United States cost of production, plus the tariff less a fraction of a cent, and as a rule, so far as price is concerned, the Canadian manufacturer in our secondary industries is practically at the mercy of producers of denim in Canada. He has to pay the price they fix, and the price they fix is the one practically fixed by producers of denim in the United States, plus of course the tariff. If the tariff on overalls is reduced, and the tariff on denim is maintained, the overall manufacturers are placed at a disadvantage. My plea is that the minister reduce the tariff on denims, because I do not believe there is any need for the high protection given Canadian manufacturers of denims.

Let me give my reasons for making these statements. First of all, the Canadian manufacturer buys his raw material, or should buy it, at exactly the same price as the United States manufacturer. There is no duty on raw cotton entering Canada. I do