

Mr. DUNNING: I have not in mind a list of all the countries with which the United States has most favoured nation treaties, but I think it is all but Germany.

Item agreed to.

Customs tariff—604.

(i) Belting leather in butts or bends; and all leather further finished than tanned, n.o.p.: 20 per cent.

(ii) Sheepskin or lambskin leather, further finished than tanned, n.o.p.: 25 per cent.

Mr. STEVENS: I think the committee is entitled to some explanation of those two items. The present item in the tariff reads:

Belting leather in butts or bends; sole leather; and all leather further finished than tanned, n.o.p.

Under the treaty that item has been divided, and belting leather, which has been separated from the main item, is to be admitted on a twenty per cent basis, while the duty on sole leather is fixed at twenty-five per cent. It is extremely difficult to understand why there is this difference in these two items, unless it was thought desirable to give some special consideration to manufacturers of sole leather. I do not know whether the minister is in a position to explain why this division was made, but I think the committee is entitled to a complete explanation. As a matter of fact, the result is grossly unfair to the industry because it gives virtually the same protection to sole leather, whereas in connection with belting leather there is a reduction of 7½ per cent. I should like to ask the minister or his colleague, the Minister of Trade and Commerce (Mr. Euler), for an explanation of the division of this item.

Mr. DUNNING: We simply considered the relative importance of the different branches of the leather industry. For instance, last year the production of sole leather in Canada was over \$6,000,000, whereas the production of belting leather was just \$200,000. The production of sole leather is an important branch of the leather industry. I do not think it is fair to charge discrimination in the treatment given to different types of leather. It must be remembered that the people who manufacture sole leather do not manufacture patent leather; these are separate and distinct industries.

Mr. STEVENS: Where is the sole leather industry located?

Mr. DUNNING: At a number of points in Ontario and Quebec.

Mr. McNEVIN: At Omemee and Barrie. [Mr. Brooks.]

Mr. DUNNING: The Minister of Trade and Commerce volunteers the information that there is an industry in Kitchener.

Item agreed to.

Customs tariff—604b. Sole leather: 25 per cent.

Item agreed to.

Customs tariff—605a. Genuine pig leathers and genuine morocco leathers; so-called roller leathers: 25 per cent.

Item agreed to.

Customs tariff—607. Leather, when imported by manufacturers of gloves or leather clothing, for use exclusively in manufacturing gloves or leather clothing, in their own factories: 7½ per cent.

Item agreed to.

Customs tariff—609. Belting, of leather: 25 per cent.

Item agreed to.

Customs tariff—ex 611a. Boots, shoes, slippers and insoles of any material, n.o.p., not including canvas shoes with rubber soles: 30 per cent.

Mr. MacNICOL: What amount of shoes were brought in free in 1938 under the \$100 exemption?

Mr. DUNNING: If you allow for the twelve months, it would be about \$1,000,000.

Mr. HOMUTH: Has the minister comparative figures of the importations in January and February of this year and January and February of last year?

Mr. DUNNING: I am sorry I have not.

Mr. HOMUTH: I realize the futility of protesting against this item which deals with boots and shoes. This treaty is going to be passed and anything we may say will not change the situation. In spite of what the Minister of Trade and Commerce and other ministers have said with regard to importations of shoes into this country, a great many more shoes are coming into Canada as a result of the changes in this tariff, and a great many shoes are ordered for spring delivery, with the result that our shoe industry is suffering to-day.

Furthermore, wages have had to be cut in the shoe industry, even in those industries where the highest wages were paid of all the shoe industries in Canada, in order to compete with the low-grade shoes coming in from the United States. I can understand to some extent why the government takes the attitude that a few hundred thousand pairs of shoes coming into Canada last year had no serious effect