

Customs Tariff

the clauses and schedules in Bill C-131 are arranged in the same order as in the Customs Tariff Act. Bill C-131 commences with a proposal to insert a new definition with respect to wire in the interpretation section of the Customs Tariff and ends with an amendment to schedule C of the act. However, the most important provisions of the bill are those in between which provide for the reductions in the rates of duties set out in schedule A that are required to implement Canada's obligations under the Kennedy round trade agreement which was signed in Geneva on June 30, 1967, and generally which have been in effect on a provisional basis since January 1 of this year.

When the committee of ways and means was concluding its examination of the tariff resolution on November 19 I said I would attempt to supply later on in the debate some information in reply to some of the questions that were asked. First let me attempt to deal with some of the questions raised by the hon. member for Swift Current-Maple Creek, and I want to thank him for his most interesting presentation. He has certainly done a lot of work in looking into this question. As I recall his remarks, he argued that the proposed tariff amendments now before parliament would have the effect of imposing a duty on some farm equipment which is now duty free. I have gone into this with officials of the Department of Finance and I am glad to be able to assure my hon. friend that this is not considered to be the case. It should be noted that the proposed amendment to the heading for items 42761-1 and 42762-1 is merely consequential to the proposed amendment to item 40938-1 dealing with tractors. The coverage of the two items I have just mentioned will remain the same. They do not cover machines and tools for use on tractors which are used on the farm for farm purposes only. These are provided for and will remain in duty free tariff item 40924-1. This item was formerly numbered 409(f). I might add that the numbering was changed not as a result of the provision we are considering now but was changed several years ago to aid the Dominion Bureau of Statistics in collecting information on the products in question. As I was saying, the status of item 409(f), which has been renumbered 40924-1, is that it is the main item providing for free entry from all countries of farm implements and farm machinery. Again I should like to assure the hon. member that the item is not affected by the bill before us and it does not appear

anywhere in it. Farm tractors also remain free of duty as before.

I should like to tell the hon. member that his suggestion that item 409(f), which is now item 40924-1, be amended has been noted for future consideration. I am not in a position to make any commitment about it and, as I have said, the item does not appear in these resolutions. However, I would be very pleased to arrange to have the hon. member meet with the director of the tariff section of the Department of Finance so that he could pursue this question further.

The hon. member for Saskatoon-Biggar also asked several questions. First of all I believe he asked about Japanese tariff reductions as they affect soybeans and rapeseed. I am informed that the Canadian negotiators in the Kennedy round attached a high priority to the reduction of the Japanese tariff on rapeseed because of the importance of the Japanese market to Canadian producers. However, Japan did not grant a tariff concession on this product, and it is a matter of concern that this reduction was not made since the Japanese government did make a 50 per cent cut in its tariff on soybeans which will carry the rate on that product in stages from its pre-Kennedy round level of 13 per cent to 6.5 per cent by 1972. In his question the hon. member referred to a reduction in the tariff on the importation of soybeans into Japan from the United States. I am informed, however, the reduction is one of general application and is not limited to imports from the United States. I would also point out that Canadian sales of rapeseed to Japan have doubled in the last few years, from \$12.9 million worth in 1965 to over \$25 million worth in 1967. Canadian exports in the first nine months of 1968 totalled \$18.1 million. I can assure the hon. member that the government is continuing its efforts to improve access for this particular product to the Japanese market.

● (4:40 p.m.)

The hon. member also asked about access to the European common market for wheat and feed grains. The only improvement in this respect is that which has resulted from the new cereals arrangement. It was the objective of Canada and, indeed, of other wheat exporters in bringing the negotiations on cereals within the ambit of the over-all Kennedy round of trade negotiations, to seek a comprehensive arrangement with provisions going beyond those of earlier international wheat agreements. Therefore the negotiations covered feed grains as well as wheat, and dealt not only with international prices but