

Customs Tariff

Mr. Sinclair: I shall give an example. Take an item on which there is a twenty per cent tariff if the goods are of British origin, and twenty per cent under the most-favoured-nation treatment. Actually, if we had not had this arrangement in our tariff law both would pay twenty per cent, but because of this provision in our law we were giving a ten per cent discount on that twenty per cent tariff. In effect, therefore, as the goods were of British origin they would receive a ten per cent discount, yet in our tariff we would have both the British and most-favoured-nation rates of duty listed as twenty per cent. It was claimed that this was a hidden discount which we agreed at Geneva to eliminate as soon as the necessary legislation could be enacted.

Mr. Macdonnell (Greenwood): But if there was a one per cent difference, you would still be able to give the discount?

Mr. Sinclair: That is right. It applies to such a small range of goods, only about \$3 million out of a total of \$520 million.

Mr. Thatcher: But it all boils down to one thing, that it is an increase in the tariff against British goods; at least the net effect is that. In a few months we are going to Torquay to negotiate these agreements, and it seems to me that the government is not coming to parliament very often about these things. When the delegation is there perhaps they will whittle away any British preference we may have left. I think this is a matter for concern in this parliament, and I wish the minister would state this afternoon what the policy of the Canadian delegation is going to be so far as the British preferential tariffs are concerned. He must have some idea. I think we should have freer trade, but I think at the moment this British preference, in view of our trading position, should be approached with some care.

Mr. Sinclair: I think the member for Greenwood has grasped the point of this, but I shall explain it again. The difficulty which the British and we have, as well as many other nations, in trying to get goods into the United States is that the United States has a tariff schedule, and then they have so many other restrictions. Despite the fact that the tariff is open, there are these other difficulties in the way of getting goods into that country. This problem has been brought up again and again by both the British and Canadian exporters and manufacturers.

At Geneva a real attempt was made to do away with all these hidden concessions, discounts and so on which actually vitiate the effect of the published tariff. The only example we had of that was this very thing. We told the most favoured nations they were getting the same tariff on certain goods as the

British. These countries had to make concessions to us to get it, only to find out that, while that appeared to be true in the tariff schedule, by this other agreement we were giving the British a ten per cent discount, actually a two per cent tariff reduction in cases where the rate was twenty per cent. These countries of course said, "You are no better than the United States so far as that is concerned; all of these things have to go." Our great hope, and that of all the countries, of getting into the American market as freely as we would like is the removal of these concessions from the British preferential tariff. We have taken our step towards doing that.

Getting rid of these hidden concessions, so far as we are concerned, actually affects \$3 million worth of goods in a total importation of \$520 million. I do not think that is too great a concession to be given by the British or by ourselves in order to achieve uniformity. If all the countries who signed the Geneva agreement can get away from these extra concessions and hidden discounts which actually destroy the open tariff picture, then uniformity will be achieved.

Mr. Coldwell: Mr. Chairman, it seems to me we are constantly doing this sort of thing without any assurance from the United States that we are getting similar treatment. Our government agreed to the Geneva agreement, and for a time I think it adversely affected our trade with Britain. We have never approved of that agreement in this house, but bit by bit we find ourselves giving more concessions, allegedly because of the methods adopted by the United States. I have not been able to find out that we have been able, to any great extent, to iron out these difficulties with the United States that have bothered Canadian exporters for a great many years.

For example, I was informed that the exporters of apples from the Annapolis valley into the United States had their apples stopped at the border. Although the boxes were marked "product of Canada" the wrappers in which the apples were wrapped were not marked "product of Canada", and because there is some regulation that each package must contain the name of the country of origin, there was great difficulty in getting those apples into the United States. Another example, which is better authentically from my point of view, concerns the manufacture of some bricks in the maritime provinces. A couple of carloads of bricks were ordered for a town in the state of Maine. The car was marked "product of Canada", but the customs authorities of the United States insisted that every brick should be marked "product of Canada". The young men told me that they

[Mr. Macdonnell (Greenwood).]