

Customs Tariff

composed entirely of vegetable oils. I have made inquiries and find that the pure food act covers that, so this sales tax exemption applies only to pure dairy products.

Mr. Macdonnell (Greenwood): I understand the change here is the insertion of the words "under the British preferential tariff" and so on, and that this is an outcome of the Geneva treaties.

Mr. Sinclair: That is true.

Mr. Macdonnell (Greenwood): Would the parliamentary assistant say a further word about that?

Mr. Sinclair: Before Geneva there was a special 10 per cent discount to the duty on imports from British countries where the duty was in excess of 15 per cent. It was argued at Geneva, however, that in those instances where the rate of duty on British goods and the most-favoured-nation rate of duty were the same this 10 per cent discount constituted a hidden advantage for the British, an advantage not contemplated under those agreements. That was threshed out, and it was agreed that this 10 per cent will not apply on items where the British tariff and the most-favoured-nation tariff are the same. In order that hon. members could see the effect of it I put on *Hansard* a list of those items on which the British tariff and the most-favoured-nation tariff are the same. That is at page 2176, and it shows that these items amount in all to about \$3 million, in a total British import of over \$500 million.

Mr. Fulton: I wonder if I might take this opportunity to ask the parliamentary assistant whether he can tell me anything concerning representations which have been made to the minister regarding the tariff on irrigation sprinkler heads. It has been represented that these articles are not readily available in Canada and that western producers particularly, who have to irrigate their orchards, are penalized by the very considerable tariff that is charged when these sprinkler heads are imported. I believe the Minister of Finance has been giving consideration to the matter over the past couple of weeks, and I wonder if the parliamentary assistant can tell us the present position.

Mr. Sinclair: The question was raised a year ago by the hon. member for Kamloops and, I think, the hon. member for Calgary East, with respect to the complete portable irrigation equipment. That situation has been adjusted; there is an ample supply available in Canada today. I am told, however, that there is a temporary shortage of the sprinkler heads. This has been brought to the attention of the department and they

are trying now to see that a satisfactory supply is made available; or if that cannot be done an adjustment in regard to the tariff will be carefully considered. There is no adjustment in this tariff.

Mr. Fulton: Then do I understand that if an adequate supply of sprinkler heads cannot be made available domestically the department will consider an adjustment in the tariff for future years?

Mr. Sinclair: That is one of the items for discussion at Torquay this summer.

Mr. Thatcher: I am still not clear on section 1. Do I understand the parliamentary assistant to say that on these items he mentions, cotton goods and the like, the concession which the British formerly enjoyed is being taken away? Does that mean in effect that they are going to have to pay a tariff of 10 per cent more on those goods?

Mr. Sinclair: The problem stems back to the fact that over and above the British preferential tariff the British had been given another discount of 10 per cent on those tariffs which were in excess of 15 per cent. At Geneva we gave other countries the same tariff rate as the British on some items in return for concessions made to the United Kingdom. We were told that was not good enough. They said that they were supposed to be on the same rate as the British, and while the tariff schedule shows that they were, we were still giving a 10 per cent discount to the British. This is discrimination which we agreed not to impose under the Geneva trade agreement. Our country agreed and the British agreed that Canada should discontinue this discriminatory practice, and as a consequence in all those items on which the British preferential tariff and the most-favoured-nation tariff are the same, the discount is no longer allowed. The discount still applies on a great range of items on which the British have a tariff preference even over the most-favoured-nation.

Mr. Thatcher: In effect, this clause 1 takes away a 10 per cent preference, a tariff preference or a discount preference, whatever you want to call it, on these particular British goods. Is that correct?

Mr. Sinclair: A 10 per cent discount, not a duty.

Mr. Thatcher: In dollars and cents, whether you call it a discount or a tariff, it is the same.

Mr. Sinclair: A 10 per cent tariff is different from a 10 per cent discount on a tariff.

Mr. Macdonnell (Greenwood): The parliamentary assistant used the word "discount". Will he make it clear by giving an illustration, because there is a confusion in terms here.