

Customs Tariff

Mr. McIntosh: The wording is the same with the exception of "internal combustion tractors," and I am asking the parliamentary secretary to give a definition of what is meant by internal combustion tractors.

Mr. Gray: Mr. Chairman, I wish I were in the position to give a definition in such a firm and final way as the hon. member asks. It might satisfy the hon. member, but perhaps it might not. If I attempted a definition I do not think it would have the conclusive form that he would wish to have it in his discussions with the officials of the Department of National Revenue.

Unless I am sadly mistaken about the purpose of item 42711-1, first of all, it is not in the way of a renumbering or a re-expressing of what is covered by 40924-1. It deals with a rather different matter. It is part of an attempt that the house is being asked to make to correct a ruling of the Tariff Board which deemed front-end loaders were to be covered under the same tariff item as tractors, and therefore let in duty free. This led to many representations, including some from the opposite side of the house, that this was detrimental to Canadian industry. For example, I think there was a plant in London, Ontario, which was making this equipment. The proposed item 40938-1 is designed to clarify this matter. Item 42711-1 is to make clear that if the tools in question are for the purpose of attachment to the type of tractors in question, but are not for farm purposes, then they are covered by the duty in question.

It is my understanding of the will of parliament, expressed in Schedule A of the Customs Tariff Act, that implements and machinery for farm purposes come in duty free, but that farm equipment is not included in this duty free provision under 40924-1 in quite the way the hon. member would like it to be. This may be something that requires further study and possibly further change, but I conclude by repeating that 40924-1 is not to be found in the bill that is before the committee of the whole in any way whatever.

Mr. Gilbert: Mr. Chairman, the position of the New Democratic party has been stated on the resolution stage and also on the second reading stage by the hon. member for Regina-Lake Centre. Therefore my remarks will be very brief but pointed.

The first matter I would like to draw to the attention of the parliamentary secretary is that there were three points set forth in the

statement by the Consumers' Association of Canada when they presented their brief before the standing committee on finance, trade and economic affairs.

The first point refers to the desirability of stronger direct representation of consumers in future Canadian trade negotiations. I would assume that the reason for that was the shabby treatment that the different organizations and groups within Canada received prior to the entry by officials of the Department of Trade and Commerce into the Kennedy round negotiations. I think I should put on record that the trade unions were not contacted in any way whatever with regard to their position on the Kennedy round and, to say the least, the representation of the farmers was very slight. I understand they were contacted prior to the negotiations but certainly never during the negotiations. When one thinks of the great changes that took place concerning agricultural produce one hopes that in the future officials of the department will contact these different groups to get their views on these important matters.

The association's second point concerned the regional impact in Canada of relaxation of Canadian trade restrictions, and the third point concerned the importance of continuing efforts to reduce those impediments to international trade which will still remain after the Kennedy round tariff cuts are completed. I would hope the officials would take these points into greater consideration the next time they commence to negotiate with regard to tariff changes.

It would be fair to say that the role of Canada is to develop the principle of free trade and that the GATT agreement was one of the necessary steps to achieve this goal. Tariff protection has been a valuable instrument of nation building, and economic nationalism was necessary to political independence and the creation of a national economy. Now differences arise only with respect to the rate and the manner in which tariff changes should be established, whether they should be unilateral, bilateral or multilateral, or selectively by sector. As a result of the negotiations it appears that Canada, as with other countries, set the pace toward multilateral free trade; yet it has experimented in selective arrangements such as the automotive pact.

• (5:20 p.m.)

There has been a transfer from the dominance of tariff protection to an awareness of