

*Customs Tariff*

Canada to be more competitive either in the Canadian market or in the export market.

**Mr. Martin (Essex East):** The minister's answer is at least enlightening in part. It indicates that the parts people have been asking for this, but that does not necessarily resolve the matter. For instance, one could refer to the fact that automatic transmissions are made outside of Canada; that a licence has been extended to the automobile manufacturers to have them made outside of Canada for another year. The fact that the manufacturers have agreed to this does not necessarily mean that it is the thing to do. It seems to me that the time has come when automatic transmissions ought to be made in Canada.

**Mr. Fleming (Eglinton):** This has no application to that.

**Mr. Martin (Essex East):** No; but this is an illustration of what I think is a weakness in the minister's statement. However, I bring it to his attention.

**Mr. Benidickson:** This clause refers back to the resolutions. It is on page 25 of the ways and means resolutions. I am wondering why the minister did not see fit to present this in the ordinary way; why instead of a separate resolution dealing with words it should not be presented as part of a resolution which would show, as is shown with respect to all these other items, the existing rate and the proposed rate. When we get it in words one has to go back to the library to find out how schedule A of the Customs Tariff of 1959 reads, and it is very complicated.

We have a proposal that those items be included in paragraph (a) 438c of the Customs Tariff schedule. I think the minister would agree with me that this is a long list of automotive parts. But then, after that is all recited, we find that the rate varies substantially according to circumstances. In the first place there would be a tariff rate of 17½ per cent on goods from a most favoured nation, such as the United States, if the parts were for use in the manufacture or repair of the goods enumerated in tariff items 410a, subparagraph 3, 424 and 438a or for use in the manufacture of parts thereof.

Will the minister indicate in connection with each of these items just the extent to which they have been manufactured in Canada in the past? If they were manufactured, what was the rate of duty? Will he indicate what change in the rate of duty is likely to follow as a result of the adoption of this clause? What have they been paying up to his introduction of the budget on March 31,

and what is his information as to the rate of duty that is likely to be paid on these items after April 1, 1960?

**Mr. Fleming (Eglinton):** So far as the form of this clause is concerned, it is designed to assist the house. The change was set out in complete form in resolution No. 6 under the heading of Customs Tariff. The house was given the fullest information by that means. These changes relate to items that are all of great length in the Customs Tariff, and by setting them forth in this form it is much simpler, much clearer and much easier for the house to follow.

**Mr. Benidickson:** Maybe for the industry; not for the house.

**Mr. Fleming (Eglinton):** These items are literally pages in length; therefore this is a much clearer way to set them forth to enable the house to grasp the effect of the changes proposed. Earlier I drew attention to the fact that these changes apply to goods of a class or kind not made in Canada. The imports have not been extensive. For instance, with respect to the door opening weatherseal retainers and the reclining seat mechanisms and swivel seat mechanisms, the imports of those parts in the 1960 model for this year are estimated at only \$78,000.

The reference to the parts of the internal combustion engine is a technical amendment. The reference to air cleaners and cast aluminum road wheels applies to things of a class or kind not made in Canada when imported for use in the manufacture of trucks or buses which contain 40 per cent commonwealth content. The imports of these latter products in this present year are estimated at only \$40,000, so that these are not large items.

The rates hitherto applicable have been 17½ per cent British preferential; 25 per cent most favoured nation. If they conform to the requirements in relation to content, that is to say 60 per cent commonwealth content in the case of those enumerated in subclause (a) and 40 per cent in the case of those in subclause (c), entry will be free.

**Mr. Martin (Essex East):** Mr. Chairman, what the minister has said illustrates the concern I expressed earlier. I am not so sure that the question of the content required—the commonwealth content or the content required in the case of importations from non-commonwealth countries—cannot be adjusted without in any way increasing the tariff. I am not suggesting that, but this very provision violates one of the requests made in the submission to which I have already directed the committee's attention, where a request is made for an increase in the Canadian content requirement of vehicles