

Customs Tariff (No. 2)

at a much slower rate than in previous years, thus providing added pressure with regard to places in which to dump them. Canada is always a convenient, and in fact the only, market close at hand. The reduction in tariff amounts to \$175 to \$200 a trailer, enough in many cases to pay for the cost of transportation to the Canadian market or to pay for the dealer's expense of setting up the mobile home on a site. On travel trailers the saving will certainly make a very competitive market much more competitive. The government could not have realized that for years the tendency has been for the large United States mobile home and travel trailer manufacturers to use Canada as a dumping ground for their excess production. This, unfortunately, continues to be the case despite the fact that the Canadian mobile home and travel trailer industry has imposed upon itself severe standards through the comprehensive CSA Z240 factory certification program.

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These standards, which involved extra cost which most manufacturers absorbed, are now being adhered to, but at the same time American units, some of doubtful quality, are being imported to areas of Canada where they do not as yet have to conform to our self-imposed standards. Furthermore, the Canadian industry has continued, with substantial success, to hold the line on prices to the consumer through increased investment in new plant and machinery. This has been done at the same time as government subsidies and incentives have been provided to our American competitors to assist them in setting up new facilities in Canada.

The CSA standards that I mentioned and which dealers here in Canada have to abide by, cover electrical, gas, oil and plumbing fixtures, and CSA Z240 factory certification by Canadian Standards Association engineers is now a requirement for membership in CMHTTA. The certification program is also available to non-member manufacturers be they situated in Canada or the United States. The Canadian Mobile Home and Travel Trailer Association is endeavouring to have the provinces approve the CSA standards through legislation. However, this takes time and to date only Alberta, Prince Edward Island and to some extent British Columbia have done so.

The estimates are that of the 4,450 mobile homes imported into Canada in the first eleven months of 1972, no more than 500 were CSA certified. Of the 4,356 travel trailers imported in the same period, fewer than half were so certified. A CSA certified product is a safer and better product but it is more expensive to build a mobile home, an estimated \$200 to \$300, and probably it would be more expensive by \$100 to build a travel trailer, in accordance with CSA standards. One can readily see the advantage already existing for non-certified United States exporters to Canada.

It is now feared that under the economic pressure of lower-priced, lower-standard imports the CSA certification program which has been of great benefit to consumer and manufacturer alike could now break down as a result of this \$170 to \$200 benefit that the lowering of the tariff by 2½ per cent will give to exporters from the United States. It is now apparent that large numbers of both mobile homes and travel trailers are being imported into areas of Canada where unemployment levels are already

[Mr. Frank.]

high, particularly into Quebec and New Brunswick. In Quebec, in the 12-month period previous to November 1972, 470 mobile homes were imported, with a gross value of close to \$2 million; and for the same period 181 travel trailers were imported, at a gross value of over \$360,000.

In New Brunswick, for the same period, 967 mobile homes were imported, twice as many as to Quebec, with a value of over \$4.5 million. As for the travel trailers imported into New Brunswick, 87 were imported with a value of approximately \$230,000. These figures for November, 1972, are taken from Statistics Canada. Particular note should be made of the fact that many of the units which show Ontario as their destination merely cross the border into Ontario and are transported to Quebec. Statistics Canada reports that 37 per cent of mobile homes sold in New Brunswick in the first nine months of last year were imported from the United States, and it is estimated that the number could go up to 50 per cent in 1973 if this tariff reduction is allowed to take effect.

It is difficult to separate the Quebec and Ontario markets since they are interchangeable. However, taking the two provinces together, it should be noted on the basis of figures from Statistics Canada that for the same period imports of mobile homes equalled 33 per cent of the total market. It is recognized that the Canadian market has been growing and Canadian industry has been endeavouring to rapidly fill the breach by the establishment of strategically located factories, in many cases with government assistance, to provide employment in accordance with regional needs.

So here we have it, Mr. Speaker—on the one hand a government that is handing out grants, particularly in depressed areas, to build trailer factories, and on the other hand what appears to be a hit-and-miss program of reduction in tariffs which is hanging a millstone around the necks of these factories by increasing their competition with imports. To lower the tariff at this time would appear to be a most inopportune move when the Canadian manufacturers of trailers are striving to develop economies of scale in face of the U.S. giant which produced 615,000 mobile homes in 1972 against an estimated 20,000 Canadian mobile homes—a 30 to 1 ratio—and 362,000 travel trailers and truck campers as compared to an estimated 27,000 Canadian, which is a ratio of 13 to 1.

It is difficult to estimate the impact of the lessening of the tariff in terms of employment as there are many factors to consider, but our best judgment leads us to believe that it could have the effect of reducing the importation of up to an additional 1,500 mobile homes and up to an additional 1,500 travel trailers, amounting to an estimated 1,200 jobs on an annual basis. Remember, Mr. Speaker, that the real impact is brought home by the fact that regions of Canada where the unemployment level is among the highest will be the hardest hit.

It would appear that the reduction of the tariff by 2½ per cent, along with the floating Canadian dollar and the weakening of the American dollar, can only have an adverse effect on our trailer industry. I feel that this situation will entice more Canadian dealers to deal with the U.S. product and also will provide an even greater incentive to U.S. manufacturers to push more and more of their products into our Canadian market. I cannot see how