

Customs Tariff

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a few things to say about this legislation and all this talk about free trade. It very often frightens me because many countries have been built on other than a free trade basis. Not long ago the majority of trade could be termed closed trade. Let me give an example of what I have in mind. The salt industry is of great importance to the welfare of the people in the area I represent. Before the Kennedy round of negotiations bulk salt, which accounts for most imports and exports of salt, came into Canada at a tariff rate of 3 cents per hundredweight. Canadian salt exported to the United States carried a tariff rate of 1.5 cents per hundredweight. I understand that in 1970 United States salt will come into Canada free but the United States will still charge .8 cents per hundredweight.

I am sure everyone in the area I represent is aware of the existence of salt deposits on the west side of Lake Huron. The difference in production costs is made up by the increased cost of transportation. I referred to this matter during the committee hearings and received sympathetic consideration by departmental officials. I also received the assurance of the then minister of finance that this situation would be the subject of renegotiation if the Canadian salt industry was being jeopardized. In any event we will have to wait until 1970 to ascertain whether the Kennedy round negotiations will have an adverse effect on the salt industry in Ontario. Should this prove to be the case I trust the government will honour its commitment and renegotiate these tariff rates.

At this time I should also like to refer to the Canadian glove industry. Glove producing companies are almost going out of business, thereby jeopardizing the employment of many people, because of the tremendous importation into Canada from other countries. I shall not mention them all but I should like to put on record the figures in relation to gloves imported from several countries. Canada imported gloves of several varieties, including knitted, woven and of synthetic fibers, from Communist China to the extent of 369,000 dozen; from Hong Kong, 165,000 dozen; from Japan, 426,000 dozen; from Taiwan, 170,000 dozen, and 114,000 dozen from the United States. This situation has made it almost impossible for this Canadian industry to remain active. Many of these glove companies are located in small towns and are no longer in a position to employ the same number of people. As a result these small towns

[Mr. Hales.]

become smaller because the people are moving to the cities. This is certainly not good for the economy of these areas. I hope the minister and his parliamentary secretary will take this matter under consideration to see whether something can be done.

Let me refer to another situation in my constituency. At one time we had a sporting goods industry which shipped ammunition all over Canada. Because of the high cost of transportation this business has been almost completely closed down. In order to overcome difficulties the owner began to reload shells. He found it necessary to import a certain constituent from the United States at a tariff rate of 7½ per cent. The government increased that rate to 22 per cent, which represents a 300 per cent increase. Most people expect some increases, particularly in respect of small volume items, but this seems to be outrageous. I should like to ask the government to take this situation into account to see whether something can be done as quickly as possible in order that this firm in my constituency can stay in business.

• (4:20 p.m.)

[Translation]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to say a few words about Bill No. C-131 to amend the Customs Tariff.

Everyone agrees that the Customs Tariff is an extremely important matter, especially with regard to the encouragement the Canadian parliament must give to the production of Canadian goods and, consequently, with regard to the encouragement we must give our agricultural and industrial workers, as well as producers of all kinds in Canada, and that includes of course all classes of our society.

Mr. Speaker, hon. members as well as the people as a whole are struck quite often by the considerable difference between the price of the products made in Canada and that of the products imported from various other countries in the world.

For instance, our textile industry faces a very threatening competition. Textile products from Japan and other Asian or European countries compete unduly with the Canadian industry. In fact, in the eastern townships, in the areas of Sherbrooke and Drummondville, plants are facing an unfortunate, and even hostile competition.

Certain companies have threatened to close down and others have to cope with strikes