

*Customs Tariff*

We are not particularly asking the minister about the course of his bargaining at the moment, although he has announced in his budget speech that he is negotiating with certain countries on items which are bound by GATT agreement. We had a short while ago a discussion on the possibility of negotiations with respect to woollen items in the most-favoured-nation category, particularly with respect to Italy. The minister referred to this in his budget speech, and I am not going to go into that question. I do not think our laws particularly require the minister to tell us what he is doing in this respect. But I do assert that the broad statement which was given to us yesterday is not a proper one, and I ask the minister to reconsider his position. I ask him particularly to reconsider his position in view of the resolution which we have here before us, resolution No. 8. I have indicated that sources outside the House of Commons seem to have information which is not available to us. They suggest that among the miscellaneous items that would come before this committee at this time for review, some involve tariff decreases which presumably affect some producers in Canada, and they suggest that they are the quid pro quo and the "give" for the "take" we have heard about in some other categories.

I think the minister should give us some further information on these points. The article to which I referred, as I have said, referred to fresh smelt and said that some of the concessions given may be in compensation for concessions received in one or other of the big packages such as lobster meat, boiled lobster and brushes for farm equipment. The article continues in these words:

Several types of parts for new-model cars, i.e., synchronizing cones for transmissions, were moved to free from various rates between 15 per cent and 25 per cent.

Several types of truck parts, i.e., internal combustion engines about 349 cubic inches, were moved to free from 7½ per cent.

I think this is of interest to the committee. I recall attending a convention on unemployment from the Windsor area about a month ago and the chief spokesman of the government at that time was the Minister of National Revenue. My recollection is that the minister assured the delegation which was large, not only in its complement of visitors but with respect to members of parliament from all parties, that actually since the government had changed any policies which were likely to be operative and were in favour of manufacturing in Canada some of these components of an automobile rather than making it easier for those components to be imported

and then simply put in the automobile that ostensibly was manufactured in Canada.

The suggestion is that all of this is the result of negotiations the government had been obliged to conduct by reason of its membership in GATT. I believe I am familiar with the nature of those negotiations and my understanding is that the person who wants a change in the agreement applies to the opposite number which is the chief supplier of that commodity and they negotiate bilaterally and then after they reach an agreement they submit it to the general conference in GATT, and whatever is the result is available to all members of that trading partnership and agreement.

I do not think we could very intelligently pursue a discussion of some of the items in this miscellaneous package if the minister was not more frank in indicating which items are involved in our GATT trading and where reductions in tariff have been provided which reductions are due to negotiations and I should like to ask if he could tell us when we reduce a tariff here what was the other item that was the quid pro quo where there was an increase in the other items we discussed previously in this committee.

**Mr. Fleming (Eglinton):** Mr. Chairman, I still think there is some misapprehension here and perhaps I should do my best to clear that up now. It is one thing where there has been a fresh series of negotiations either at the outset of GATT in the fall of 1947 or at the time of the various renewals for the government charged with negotiations to bring back a report to the house and the public as to the result, pointing out what changes are to be made in the Canadian tariff in exchange for benefits to be had in other countries in relation to their tariffs, but it is an entirely different matter from negotiations, as I tried to say earlier, that may occur while an agreement is in effect where one country desires to make a change in its own tariff items that are bound by GATT and is precluded by the terms of GATT from doing so without the concurrence of the countries in whose favour the items are bound.

**Mr. Benidickson:** Largely the principal supplier?

**Mr. Fleming (Eglinton):** Yes, whatever countries they may be in whose favour the items have been bound. In those cases, of course, it is customary for the country in whose favour the items are bound to demand concessions. The government, of course, must report on the results of those negotiations. We have done so. The results of the negotiations here are embodied in the resolutions now before us. My hon. friend