

Hon. Mr. EULER: I note you say that GATT has gone as far as advisable. I am not trying to put words into your mouth with regard to the lowering of tariffs—

Mr. SHEILS: We feel that Canada has set an example to the other nations of the world in the prompt carrying out of promises made at the international meetings. When we have promised to do something we have done it. I am sorry that cannot be said for our neighbour immediately to the south.

Hon. Mr. EULER: By the way, has Congress ever ratified the GATT agreement?

Mr. SHEILS: I understand they have not. Part of the trouble in dealing with their representatives is that government officials attend meetings and make commitments which their government will not endorse when they go home.

Hon. Mr. CRERAR: I think power is given under the President to make these treaties.

Hon. Mr. EULER: But I am talking about GATT.

Hon. Mr. CRERAR: GATT is an outgrowth of the powers given to the President.

Hon. Mr. EULER: Has our parliament ratified that agreement?

The CHAIRMAN: I think we have.

Hon. Mr. EULER: But as I understand it the United States have not?

Mr. SHEILS: I can cite an instance which I think will answer both questions which you have brought up.

One of the principal points raised at GATT was the simplification of the very cumbersome United States customs procedure which operates far more efficiently than any tariff to bar goods going into that country and their customs policy can be changed at a moment's notice on pressure from a certain manufacturer. The American delegates at GATT solemnly promised that that condition would be corrected and that the U.S. customs procedure would be simplified and brought into line with other nations.

Hon. Mr. EULER: That would not require legislative action.

Mr. SHEILS: That has never been done; it has never been placed before the American Congress.

Hon. Mr. EULER: But that would not have to go before Congress. I know, for instance, a Canadian manufactured product can be exported to the United States, and when it reaches the border it is adjudged to be within a certain classification for tariff rating. Then two or three months later a customs official may say that classification was wrong, and the manufacturer owes more duty. That has the effect of curtailing trade with that country. I would think that would be a matter of administration rather than of legislation.

Mr. SHEILS: Two or three months ago the promise was made that the legislative body would correct that situation, but we are still waiting for them to do it.

Hon. Mr. TURGEON: They undertook to change that regulation, did they?

Mr. SHEILS: Yes, sir.

Hon. Mr. TURGEON: A definite undertaking.

Mr. SHEILS: Yes.

Hon. Mr. TURGEON: That would be part of the agreement reached?

Mr. SHEILS: Yes, that was at Geneva.

Another point about which we feel very keenly, and one of the factors inherent in GATT, is the use of embargo or quotas should be restricted to cases