

*Ways and Means—Customs Tariff*

Customs tariff—424a, agreed to.

Customs tariff—427d, agreed to.

Customs tariff—428e, agreed to.

Customs tariff—428f, agreed to.

Customs tariff—434, agreed to.

Customs tariff—434a, agreed to.

Customs tariff—434b, agreed to.

Customs tariff—435, agreed to.

Customs tariff—438f, agreed to.

Customs tariff—440. Aircraft and complete parts thereof, not including engines, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Mr. COOTE: Are there any aircraft manufacturers in Canada?

Mr. RHODES: I believe there have been a few but in the main it is an assembling proposition as far as Canada is concerned.

Mr. COOTE: I would like to make a plea to the minister to take the duty off aircraft under all tariffs.

Mr. RHODES: That is what we are doing here.

Mr. COOTE: Only on machines imported from England.

Mr. RALSTON: And under regulation.

Mr. COOTE: I have been told by men who I think are practical Canadian airmen, who served in the air force, that machines of the type best adapted for air service in Canada are now made largely in the United States, not in England. I think that the air service of Canada is being handicapped by the present tariff regulations. I cannot see that we have any worthwhile aircraft industry in Canada that we are assisting. We have only a few assembling plants, that are locked up most of the time; when they get an order I am told they open up and the workmen are put to work for a few days or weeks assembling parts, but those who want to use these machines in Canada are paying greatly enhanced prices because of that. I do not think there are many machines imported from England, unless by the Department of National Defence. I do not know whether they pay the duty or not, perhaps the minister would be good enough to tell us. It might be wise to refer to the tariff board the question whether aircraft and parts should not be put on the free list all across the board. It does not seem wise to penalize the air service in Canada, particularly at this time, by the comparatively heavy duty that exists against ma-

[Mr. Rhodes.]

chines imported from the United States. It is machines of the type made in the United States that are best adapted for most of the work for which airplanes are required in Canada. I hope the minister will consider referring this matter to the tariff board, to ascertain whether or not it would be wise to remove the tariff altogether.

Mr. RHODES: In the first place may I observe that there have been no increases or decreases in the general tariff in this budget, for reasons which I indicated at the time, and which will be apparent to all hon. members. It will be observed also that we are now making aircraft from Great Britain free, which hitherto have been subject to duty. To that extent we are giving a preference to Great Britain. I do not profess myself as competent to express an opinion as to the relative merits of British aircraft as contrasted with those coming from other countries, but I should be greatly surprised if Great Britain with her experience in engineering as well as in the use of aircraft is not in a position to compete with any country in the world. If she is not able to do so at the moment I have no doubt she will soon place herself in a position to do so. It may be that there are certain types of aircraft peculiarly adapted to the conditions on the North American continent which would call for certain qualities which perhaps might not be so essential for aircraft used on the continent of Europe. That may be so, but if it is I have no doubt in the world that with the opportunity of free entry to the Canadian market Great Britain will adapt herself in the matter of aircraft to the requirements of that market. There are two types of machines, the De Havilland and Bristol, of British manufacture, which I am told by airmen are eminently satisfactory machines, the equal of any in their class in the world.

My hon. friend asked whether aircraft used for government service are subject to duty. They are, the government pay duty the same as anyone else.

I do not think I can usefully add anything more. Perhaps later the question of the free entry of aircraft under both the intermediate and general tariff might be a proper subject of discussion. But in the meantime I submit that we have gone a very long distance in making them free from the mother country, giving Great Britain an opportunity to share to a greater degree in this market.

Mr. STEWART (Edmonton): May I ask why the engines are excluded?