

Customs Tariff

It goes on to say that when annual production is 20,000 units, then the comparable figure is 50 per cent Canadian content, and over 20,000 the figure is 60 per cent Canadian content. This item was brought into the tariff schedule, I believe, in 1937. Canadian production of motor vehicles today is almost 2½ times what the figure was in 1937. I would suggest to the minister that perhaps the tariff board might make a review to ascertain whether these percentage figures now are realistic in view of increased production, and particularly in regard to the top bracket, that is over 20,000 units having a 60 per cent Canadian content.

With the greater complexity of motor cars, the result would be, I believe, that a great deal of manufacturing which could have been done in Canada has not been done. Furthermore, this will not affect the price to the consumer because the prices of motor cars are set on the United States price plus duty and then a certain adjustment from that figure. I have had a rather long experience with the motor car industry. I can assure you, Mr. Chairman, that manufacturing costs in Canada are quite comparative as far as labour costs are concerned with similar figures in the United States. Such items as automatic transmissions, elements with regard to power steering and so on might well be considered by the manufacturers for manufacture in Canada but they do not have to do so because they already are above the 60 per cent. So an annual volume of some 50,000 units in 1937 from General Motors has increased so that today that company will have an annual figure of around 150,000 units. They have room for greater manufacturing in Canada than they are doing now. I suggest this is one item that should be well checked into by the tariff board with respect to promoting a greater Canadian content.

Mr. Benidickson: Am I right in thinking that the tariff board would not, on its own initiative, look into this matter? Certainly it has a heavy body of work ahead of it. Would it not only be done as a result of a request from the minister.

Mr. Fleming (Eglinton): That is correct. This item is one that is bound under GATT. There was a time when the 60 per cent that was referred to by the hon. member for Vancouver South was 65 per cent. These matters are constantly under review and due note will be taken of my hon. friend's observations.

Item agreed to.

Customs tariff—438d. Axles, front and rear;
Bell or clutch housings for vehicles having a gross vehicle weight rating of over 19,500 pounds;

Brakes;
Brake drums;
Clutches;
Drive shafts;
Fuel pumps for engines of 260 cubic inches and over in displacement;
Hubs;
Hydraulic or fluid couplings;
Internal combustion engines of 349 cubic inches and over in displacement;
Linkages and controls for use with clutches, transmission assemblies, power dividers or transfer cases, when the main assemblies are of a class or kind not made in Canada;
Magnetos;
Power dividers or transfer cases;
Rims for pneumatic tires;
Spring shrouds, spring seats, and spring anchor plates of metal for vehicles having a gross vehicle weight rating of over 19,500 pounds;
Steel road wheels;
Steering drag links for vehicles having a gross vehicle weight rating of 20,000 pounds or over;
Steering gears;
Tandem axle suspensions, not to include springs;
Transmission assemblies;
Universal joint;
Parts of the foregoing;

All of the foregoing when of a class or kind not made in Canada, and when imported only for the manufacture of motor trucks, motor buses, electric trackless trolley buses, fire fighting vehicles, ambulances, hearses, and the chassis for same: British preferential tariff, free; most-favoured-nation tariff, 17½ per cent; general tariff, 27½ per cent.

(1) If the above articles are imported for use as original equipment for motor trucks, motor buses, electric trackless trolley buses, fire fighting vehicles, ambulances, hearses, or for chassis for same, by a manufacturer of the goods enumerated in tariff items 410a (iii), 424 and 438a, and during the year in which importation is sought, not less than forty per cent of the factory cost of production of such vehicles and chassis therefor, not including duties and taxes, is incurred in the British Commonwealth, the rates of duty under this item shall be: British preferential tariff, free; most-favoured-nation tariff, free; general tariff, 27½ per cent.

(2) If the above articles are for use in the repair of motor trucks, motor buses, fire fighting vehicles, ambulances, hearses and electric trackless trolley buses, or for chassis for same or for use in the manufacture of repair parts therefor, the rates of duty under this item shall be: British preferential tariff, free; most-favoured-nation tariff, free; general tariff, 27½ per cent.

(3) The Governor in Council may make such regulations, if any, as are deemed necessary for carrying out the provisions of this item.

Mr. Fleming (Eglinton): Mr. Chairman, there is an amendment to item 438d. It has been printed and perhaps I do not have to read it again for that reason. It appears in *Votes and Proceedings*. I will ask my colleague the Minister of Northern Affairs and National Resources to move it.

Mr. Hamilton (Qu'Appelle): I so move.

The Deputy Chairman: As the committee is familiar with the amendment, may I dispense with the reading of it.

Some hon. Members: Agreed.

Amendment agreed to.