

Customs Tariff

the most in trying to live up to the things that we said we would do at both Geneva and Anney.

As to the question of the hon. member for Rosetown-Biggarr, I should like to make one little point about his suggestion that we have hurt Britain's trade. As you will recall, last month for the first time—

Mr. Coldwell: Oh, yes, I know.

Mr. Sinclair: Just as an indication that we are moving in the right direction, for the first time last month we have a British balance of about \$2,500,000.

Mr. Coldwell: I think I qualified it by saying that when it came into effect we hurt Britain.

Mr. Thatcher: I am still not satisfied with the explanation given by the parliamentary assistant. As I understood it, in effect he says this clause introduces another step which the government is taking to remove trade barriers. Yet in the next breath he says that the effect will be to increase the tariff against these British goods to the extent of about 2 per cent. I do not see how, time and again when these restrictions are coming off, it always means an increase in the Canadian tariff against British goods. I do not see how that is easing trade restrictions. I should like the minister or the parliamentary assistant to tell me this. When we made this concession, if that is what it was, to certain countries, was there any specific condition that we get any return for it?

Mr. Sinclair: The general problem was to make the printed tariff schedule the actual tariff schedule. As long as countries said, for example, as we said about the British and most-favoured-nation rates on certain items, that the tariff rates are the same, and then with regard to the British, we gave the British a discount, we were in effect not telling the truth in our tariff schedule. We were not alone in doing that. I think perhaps it is not the right thing for me to say here, but the general feeling at least in this country is that the Americans are perhaps the worst offenders in having other hidden blocks than tariffs. The whole object of Geneva was to tear away all these other hidden blocks and devices used in restraint of free trade across international boundaries. The only one which we had at that date, except in the marking provision, which I will mention, in section 3, was this special discount which we gave where the British preferential and most-favoured-nation rates were the same. We still give the British a special discount on all their other tariff rates above 15 per cent. But in this case where we have ostensibly in our

[Mr. Sinclair.]

tariff schedule said that the British rate and the most-favoured-nation rate are the same, we are in reality afterwards giving the British this discount of 10 per cent of the duty paid. I cannot explain it any more clearly than that. If the other hon. members understand it, perhaps we can go on to the next item.

Mr. Thatcher: We have no alternative but to accept that explanation, but we still do not have to like it. This thing in effect means an increase in the tariff on these British goods.

Mr. Quelch: There is one question I should like to ask the parliamentary assistant. In view of the fact that the United States is the nation today that needs to expand its imports more than any other nation, in consequence of which we are having a great deal of trouble with regard to the scarcity of dollars in the world today, can the parliamentary assistant give us a general idea how far the United States has gone since the Geneva meeting in reducing these tariffs? I am not asking for an itemized report, but for a general idea how far they have actually gone to date. There has been a great deal of talk about reducing tariffs in the United States, but apparently the United States tariff wall is still a fairly high one.

Mr. Sinclair: I am certainly not in a position, in discussing our own Canadian tariff bill, to give you an explanation of what the Americans have done. In our department we have our economic policy counsellors who are willing to provide that information because they make a point of following the results in other countries so that they will be in a position at these various trade conferences at Geneva and Anney, and now at Torquay, to stack up what we have done against what other countries have done. But there has been a marked improvement, not so much through changes in tariff. This is an example not of a change in the effective tariff rate but of the removal of a hidden discount which was an unfairness and which did give rise to complaint by countries which we were saying were getting the same tariff treatment as the British rate when actually in effect they were not. I myself feel that the best way that we can do our part in any of these international conventions and conferences to clear away these things which are affecting us much more than they are affecting our customers is to put our own house in order, as we are trying to do under this amendment and a little later under the amendment on the marking of goods.

Mr. Johnston: Can the minister tell us what items are being affected by this reduction or this increase?

Mr. Sinclair: I put the entire list on *Hansard* at page 2176, at the request of the