

Customs Tariff

I accept that, but it is in order to ask what is the reciprocity with respect to these items.

Mr. Fleming (Eglinton): If there were reciprocity the question would be appropriate. However, I have pointed out that there is no question of a concession in this respect. This is a change that was made at the request not of another importer, or in return for concessions made by another country, but of the Canadian manufacturers.

Mr. Martin (Essex East): What the minister has said is true, but it depends upon what the foundation of one's question is. Canadian automobile exports to Great Britain are subject to duty, while British exports of automobiles to Canada have free entry. Notwithstanding what has been said, is it a fact that the Canadian government is going to apply at the next GATT meeting in September for a revision of the restriction that would prevent Great Britain from applying to Canadian manufactured automobiles the same rate which British manufactured automobiles have in Canada? It does not seem right, and the minister has not answered, except with a political answer. I am trying to deal with this serious situation in an objective way. It does not seem right that a strong competitor such as Great Britain should enjoy in the automotive field the advantage she now has, particularly when the automobile industry in Canada is facing such serious competition and such a serious situation has resulted.

Mr. Fleming (Eglinton): The United Kingdom enjoys, in this respect, simply those tariff advantages which were introduced by the government of which the hon. member was a member. We have made no change in that respect.

Mr. Martin (Essex East): I just acknowledged that. At that time the situation was not serious. We do not always have to say, here is what was done 10 years ago. We are faced now with a serious situation. British competition is very serious in the automobile industry, because 26 per cent of the cars sold in Canada last year were made outside of Canada. This has a serious effect on the employment of thousands and thousands of people in this country.

I am simply asking the minister whether it is the intention of this government, at the next meeting of GATT, to have consideration given to this aspect of the problem. I have not been vigorous in any denunciation this morning, and the minister is not warranted in embarking upon that kind of debate; because it could be reciprocated. I am simply trying to deal with the minister in an objective way regarding a problem of vital concern to the community from which I come.

Mr. Benidickson: I am looking again at this schedule of related articles under item 438, which is the class dealing with automobiles and automobile parts in general. I think it is quite in order, when we are asked to accept these rates, to look at how they might relate to other subsections of the main item 438. Now, would the minister indicate why, if the items in 438b, of a class or kind not made in Canada, enter free under the British preferential tariff as well as under the most favoured nation tariff he proposes a 17 per cent tariff in connection with this item? I know there is a reason for it, but I have forgotten. I am asking why the differentiation between some items of a certain kind not made in Canada and others of a certain kind such as is proposed here in this section, 17½ per cent. Has this something to do with a treaty agreement? In particular I would inquire what rate would apply on such an article as the hon. member for Essex East inquired about and to which reference is made in the brief from the united automobile workers, the automatic transmission. What rate of duty is paid on that?

Mr. Fleming (Eglinton): The provisions of item 438b are not involved in the present amending bill, Mr. Chairman. I am told that those rates have been in effect since the tariff board made a report on that subject and effect was given to that report back about 1936. As to whether there are some items in 438b under the provisions of GATT, I am told that some of them are bound.

Mr. Benidickson: On the last question I raised, could the minister say, or one of his officials identify, in this item 438 what we laymen call the automatic transmissions? Apparently they are not made in Canada but are imported largely from the United States. If imported from the United States, what rate of duty is paid on that component?

Mr. Fleming (Eglinton): They are not under 438b at all; they are under 438n.

Mr. Benidickson: I just wanted to know under what section they were.

Clause agreed to.

Clauses 4 and 5 agreed to.

On schedule A.

Mr. Benidickson: I think we have an agreement here, Mr. Chairman, that you will call the schedule page by page rather slowly in case hon. members have any questions beyond those raised on June 8 at the resolution stage.

Items 66b, 142, 160, 187e, 199m, 225c, 343, 347e, 414a, 414e, 463a, 463c, 465a, 465b agreed to.