

Customs Tariff

not originate with the dominion coal board. I can well understand that that goes without saying. However, it appears to be in the package of trade concessions that were made because the government decided that they wanted to hike the tariff rates on the import of certain textiles. Is that a fact? Is this one of the items that the government made use of to trade with some other GATT trading partner in order to increase the rates of duty on textiles?

Mr. Fleming (Eglinton): The hon. member is partly right. He is right to this extent, that this was one of the items that formed part of the package deal made with the United States; but after all in these negotiations we are looking about for opportunities to make use of situations where it is to Canada's advantage to have a reduction and to use that concession as a bargaining factor in the negotiations. It happened that this was one of those cases. It was fortunate that this was a case where we had an opportunity to use what was regarded by the United States as a concession without doing any harm to Canadian production, and at the same time assist certain Canadian producers of the products to which I have referred in a manner that might help them to reduce their costs of production and make them more competitive.

Mr. Benidickson: We do not know whether any harm has been done. The minister has the report and he does not make it available to anybody else. Perhaps he would tell us what the most recent statistics indicate as to the volume of imports at the 50 cents per ton rate or under the free rate from the United States.

Mr. Fleming (Eglinton): In the fiscal year 1958-59 imports were about 7,500 tons. We expect that figure will increase.

Mr. Benidickson: What would be the dollar value? Could the minister hazard a guess?

Mr. Fleming (Eglinton): No, I do not have that information.

Mr. Winch: I think this only affects the maritime provinces, and I should like to ask the minister what Canadian producers feel they can reduce their production costs if they do not have to pay a tariff of 50 cents per ton.

Mr. Fleming (Eglinton): We have no precise information on that but, as in all these cases, the representations are that if the tariff comes off their competitive position is improved in fabricating the finished product.

[Mr. Benidickson.]

Mr. Winch: From what source did these representations come? What type of Canadian producers said this would help to reduce their costs?

Mr. Fleming (Eglinton): Manufacturers. I referred to the types of products, Mr. Chairman; pig iron, titanium and other products such as electric battery boxes.

Item agreed to.

Items 624a and 663f agreed to.

Mr. Benidickson: The committee will recognize that part II on page 8 has reference to another resolution that we dealt with in the committee of ways and means. I hope the minister will reassure us—I think he so indicated in committee of ways and means—that all these items, with the exception of the amendment presented to 538g, are simply rewording items and are not changes of consequence.

Mr. Fleming (Eglinton): They are not even rewording; they are simply renumbering.

Mr. Carter: Can the minister say how these double rates work out, n.o.p. and so much per pound? Are both rates applied to every article, or can they be modified? There are notes here in certain cases that the total duty leviable shall not be in excess of 60 cents per pound. Is that the ceiling for the combined rates?

Mr. Fleming (Eglinton): These are cumulative. You will see tariff rates expressed in percentage terms, which is ad valorem, and then you have certain specific rates that are applied, and the specific rate is expressed in cents. In the case to which the hon. member refers you have a ceiling applied in terms of a specific duty of 60 cents per pound. That establishes a ceiling on the combined application of the ad valorem and specific rates.

Mr. Carter: That is the combined rates; the two rates apply?

Mr. Fleming (Eglinton): Yes; where there is a rate expressed in both ad valorem and specific terms, both apply. You see the word "and" in each case.

Items 532a, 532b and 532c agreed to.

Customs tariff—538a. Cotton yarns, wholly covered with a double layer of metallic strip in single strand only, when imported by manufacturers for use exclusively in the manufacture of electrical conductors, in their own factories: British preferential tariff, 10 per cent; most favoured nation tariff, 10 per cent; general tariff, 25 per cent and 4 cents per pound.

Mr. Winch: There is one question I should like to ask in connection with this item. I hope the minister can give some information on this. I have always thought that Canada,