

Customs Tariff

The tariff board, carrying out that suggestion, did report to the minister on February 28, 1957. My hon. friend will know the climate and timetable of that time. A budget was due within a very short time afterwards and following that there was a general election, so that the recommendations that we have here are the recommendations of the new administration, having regard to this particular report, reference No. 118 of the tariff board.

Now, I found this extremely interesting. It is a very long report but it is extremely interesting. On pages 4 and 5 of the report the tariff board outlines a summary of the industry's proposals. They show the counterbalance between seekers of tariffs and the reaction of the users of the industry's product. I was very interested to see such strong evidence of public interest, in that they also have a heading "Representations by Non-Steel Interests", the non-steel interests, representing the public which decided to take the initiative to come before the tariff board and express their views, included such people as the interprovincial farm union council of Canada, the British Columbia lumber manufacturers association, the plywood manufacturers association of British Columbia, the British Columbia loggers association, the truck loggers association, the Canadian federation of agriculture, the Canadian association of consumers, the united steelworkers of America, the Canadian pulp and paper association, the air industries and transport association of Canada. This, I think, indicates to all members of the house that tariff changes affect many more than those who are directly concerned in either producing or buying the products that are under review for the purpose of establishing a fair and proper tariff.

This industry is a relatively important one in Canada. I do not want to labour this in the committee but on page 11 of the report I found it interesting to read, and I think other members of the committee will find this interesting, that:

In 1900, practically no steel industry existed in Canada; production of ingots and direct steel castings in that year amounted to 26,406 tons. In the next 10 years steel-making capacity increased manifold; by 1910 annual production exceeded 800,000 tons. This was further increased by additional million tons over the next eight years, so that, by the end of world war I, production amounted to 1,873,000. This level of production was not reached again until the years of world war II, when the annual output exceeded 3 million tons.

In the years since world war II, production has expanded each year with the exception of 1954 and in 1955 reached new record levels in excess of 4½ million ingot tons.

The report does not go beyond that but I have inquired and, gratifyingly, I find that

[Mr. Benidickson.]

production increased since the time of review by the board. I find that on a similar basis production of basic iron and steel, according to the bureau of statistics, amounted in 1956 to 5.3 million tons. In 1957 there was a slight reduction but the figure was still ahead of 1955 when the board was reviewing these matters. Production in 1957 was slightly in excess of 5 million tons although something less than the year before.

At this stage of our consideration of these proposed tariff changes I do not propose to go into great detail as to the reasons for increases in tariff with respect to this important industry, having regard also to the large list of consumers in the country who took a very great interest in the hearings. As between myself and the minister I would prefer, while we are discussing these items at this stage, to have him indicate to me why he has departed in certain instances from the recommendations of the tariff board.

In the first instance I would refer to something that I cannot find in the resolution, a reference to the item that would be encompassed in recommendation No. 10 of the tariff board. I find that they made a recommendation but I cannot see that there is an item, among the 20 or so to which we have to give consideration to, that seems to relate to recommendation No. 10. Perhaps the minister will be so kind as to give me the facts in that regard. The resolution stage is largely an opportunity for fact finding in committee. A day or two subsequently we will then have a bill presented to us based on this resolution and at that time a little wider scope is probably available for discussion of general public interest and conflict of interests. But before we look at the items seriatim I would appreciate it very much if the minister would indicate to me why the tariff board recommendation was departed from in that no change was made relating to recommendation No. 10 when the tariff board recommended a change.

Mr. Fleming (Eglinton): Mr. Chairman, first of all may I say that it is quite erroneous to picture the numerous tariff changes proposed in these various resolutions as some major upward revision in the Canadian tariff.

Mr. Benidickson: I did not say that.

Mr. Fleming (Eglinton): No, another member did. Largely these are revisions that arise out of studies made by the tariff board having regard to the need of modernization of the tariff. A number of the tariff items referred to the board by my predecessor were items that had stood in the tariff for many years in that form and there have