

as parts, they carried a lower rate of duty. This was undesirable in the circumstances, because tire manufacturers in Canada maintain their molds for these tires just as for all other kinds of tires, and the companies were being exposed to a kind of competition to which it was never intended as a matter of policy that they should be exposed. So, we have Item 618b written in the form in which we now see it. It will now be clear that only one item in the tariff applies to tires, and the duty is constant no matter what kind of tire is involved.

**Hon. Mr. Hackett:** May I ask if this particular item has been inserted to facilitate undertakings by foreign companies who are working on the seaway and other national projects? I believe the question arose when contractors attempted to bring in machinery being used in the prosecution of work for the Government. I now ask if that item was introduced into the tariff to meet that situation.

**Hon. Mr. Hayden:** I cannot answer my friend's question, but I can tell him that the published purpose of what is contained in paragraph (2) of 618b is to meet a decision of the Tariff Board brought down early this year, in which it was held that tires on tractors, excavators and such off-the-highway equipment were parts and attracted a rate of duty of  $7\frac{1}{2}$  per cent, as against the most-favoured-nation rate of  $22\frac{1}{2}$  per cent under the tariff as it stood at that time. In order to make it absolutely sure that every kind of tire is covered I would draw attention to the opening words of paragraph (1), namely, "tires and tubes, wholly or in part of rubber . . ." without exception of any kind. Previously the item read "n.o.p." which means "not otherwise provided". So, where there is no exception, one looks nowhere else in the tariff for tires except at this one item, and it bears the rate of duty provided.

I should perhaps also refer to item 700, which is a rewording of the existing item and permits free entry for a limited period of time of displays where manufacturers or associations are holding conventions or meetings, and equipment is brought in for the benefit of those attending such gatherings. For a limited period of time the displays may be brought in free of duty; but the display material cannot be imported under this section by a commercial organization. It is allowed in in accordance with the limiting language of the item, namely:

. . . for the purpose of display at a convention or a public exhibition, held by an association not engaged in business of a private or commercial character, at which the goods of various manufacturers or producers are displayed.

Under that limitation such goods may be brought in free of duty.

Honourable senators, there are many other items in the schedule which I could explain, but I think I have covered as many as I should. Perhaps I should have mentioned that some items have enjoyed—and in some cases for a number of years—a certain rate of duty under an order in council, which is a temporary provision. Five or six of these items are now being made statutory and are no longer dependent on the exercise of ministerial discretion by way of order in council for a limited period of time. You will observe that in one or two instances the time is extended on a temporary basis for a period of one year. Other than that, the items to which I have drawn particular attention are those which have some substance.

The motion was agreed to, and the bill was read the second time.

### THIRD READING

**The hon. the Acting Speaker:** Honourable senators, when shall this bill be read the third time?

**Hon. Mr. Macdonald:** I move the third reading now.

The motion was agreed to, and the bill was read the third time, and passed.

## TELEGRAPHS BILL

### REPORT OF COMMITTEE

**Hon. A. K. Hugessen:** Honourable senators, if I may now have permission to revert to reports of committees I would like to submit the report of the Standing Committee on Transport and Communications on Bill 212.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred the Bill (212) intituled: "An Act to amend the Telegraphs Act", have in obedience to the order of reference of August 7, 1956, examined the said bill, and now report the same without any amendment.

The committee further report that the Deputy Minister of Transport, Mr. J. R. Baldwin, on the authority of the Minister of Transport, the Honourable George Marler, read the following statement to the committee:

"After Bill 212 had been considered in the Standing Committee on Railways, Canals and Telegraph Lines, it was found not to be practicable to exempt from the licensing requirement services and facilities for the transmission of communications that begin and end outside of Canada because, in a general way, substantially the same facilities are used for the transmission of communications that begin or end in Canada. In cases where the latter type of service may be licensed this common use of facilities is essential to efficient operation and will in the future apply to an even greater extent because of the tendency of cable companies to provide greater and more varied communication capacity in fewer cables.

The proposed regulations have as their purpose the effective regulation and control of external