

Customs Tariff

lower rates than the other items covering similar materials and, consequently, the rates proposed here are British preferential, $7\frac{1}{2}$ per cent and most-favoured-nation, 15 per cent, which are the same as the rates recommended by the tariff board for galvanized or zinc coated sheets, and the same as the most-favoured-nation rate recommended by the board for tinplate or sheet coated with vitreous enamel, and $2\frac{1}{2}$ per cent less than the British preferential rate recommended by the board for these two coated products.

Mr. McIlraith: Following that reason, why is the general tariff item lower.

Mr. Fleming (Eglinton): For this purpose, the general tariff rate has very little significance.

Mr. McIlraith: I thank the minister for a frank answer to that question.

Mr. Pearson: The minister has said that experience has shown in the department that it should be done this way, but I take it that the same experience is available to the tariff board, who decided it could not be done.

Mr. Fleming (Eglinton): Again, the tariff board, when it conducted its hearings in 1956 proceeded on the evidence before it and the basis of the studies made at that time. Those hearings were carried on in 1956, the report was made ready early in 1957, and it was signed at the end of February. This is now a year and a half ago.

I can tell the Leader of the Opposition also that I have been impressed with the wide range of items which have, naturally, demanded attention in the light of the numerous reports of the tariff board with which I have had to deal during the time I have held this office, as well as the number of changes which are taking place in Canadian industry, with more Canadian sources of supply becoming available.

Mr. Pearson: I may be wrong, but I gather from the minister that he was dealing with a principle in his explanation of this matter, the principle being that as indicated by experience a basket item, as I think he called it, of this type should not be at a rate lower than other items in the same category, and that because of this experience they had taken a certain action with regard to the recommendation of the tariff board. The question I asked was: did the tariff board not have the same experience, and yet it did not bring them to the same conclusion.

Mr. Benidickson: There is another item which arouses my curiosity with regard to this particular matter. I am looking at page 137 of the tariff board's report. I am quite sure there is a good explanation for this, but

I recall that when I was trying to pilot legislation of this type through the committee I invariably referred hon. members to the three columns on the left, which were the proposed rates, and the three columns on the right, which were the former rates or the operative rates at the moment. The minister will note here that it is suggested that until this is made effective the most-favoured-nation tariff rate was $12\frac{1}{2}$ per cent. But on page 137, with respect to item 383 of the existing tariff schedule the tariff board report says this:

The most-favoured-nation rate was reduced to 10 per cent in 1948 under GATT.

Is that arrangement still in effect and if so why would we not see 10 per cent rather than 12 per cent on the righthand side of that page?

Mr. Fleming (Eglinton): I think it is just a matter of numbering. The rate figures which the hon. gentleman sees here, 5 per cent, $12\frac{1}{2}$ per cent and 15 per cent as the rates in effect prior to this budget are the rates that were in existence under item 383(e). He will find that at page 138 of the report of the tariff board. They quote 383(e):

Sheets, plates, hoop, band or strip, of iron or steel:

(e) Coated with paint, tar, asphaltum or otherwise coated, n.o.p.		
B.P.	M.F.N.	General
5%	$12\frac{1}{2}$ %	15%

Mr. Benidickson: On this item this is what the tariff board had to say:

The recommended rates for this item are very similar to those proposed for uncoated sheet and strip. The reason for this relationship is that such coatings—as paint—as are applied in Canada do not advance the metal greatly beyond the rolling stage. On the other hand, many of the other more complicated coatings are not applied in Canada and the product must be imported. There are, therefore, sound reasons for not recommending rates greater than those applying to hot- or cold-rolled steel.

Mr. Fleming (Eglinton): I say again that as to any particular situations, if there is a situation where a Canadian manufacturer cannot obtain in Canada a material, that is mentioned here, for use in the production of his product, then we will certainly be glad to give consideration to any such situation and deal with it on the usual temporary basis for production in Canada.

Mr. Benidickson: Perhaps; but he went to his government board, which was the tariff board, and probably spent a fair amount of money to make his case. I think this involves, does it not, some stove manufacturers who did not want an increase in the cost of their product, but it is this alteration from a report of a board before which they have appeared, and sometimes I imagine there are