

Customs Tariff

3. Resolved, that schedule A to the *Customs Tariff* be amended by striking out tariff items 355b, 377, 377a, 377b, 377c, 377d, 377e, 377f, 378, 379, 380, 381, 382, 383, 384, 385, 385a, 386, 387, 387a, 387b, 387c, 388, 388a, 388b, 388c, 388d, 388e, 388f, 388g, 389, 392a, 395, 395a and 438f, and the enumerations of goods and the rates of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of duty:

Tariff Item	British preferential tariff	Most-favoured-nation tariff	General tariff
355b Metal alloy strip or tubing—not being such strip or tubing as accords with the definition of "steel", in paragraph (1) of subsection (1) of section 2 of the <i>Customs Tariff</i> —containing not less than thirty per cent by weight of nickel and twelve per cent by weight of chromium, for use in Canadian manufactures.....	Free	Free	20 p.c.

The Deputy Chairman: Shall resolution 3 carry?

Mr. Fleming (Eglinton): On resolution 3, as is indicated in the amendments which were

placed on *Votes and Proceedings* of July 28, there is an amendment of the first item, namely item 355b. The amendment which appears in *Votes and Proceedings* runs to this effect:

That resolution No. 3 of the budget resolutions relating to the *Customs Tariff* be amended by deleting therefrom item 355b and by substituting therefor the following:

Tariff Item	British preferential tariff	Most-favoured-nation tariff	General tariff
355b Metal alloy strip or tubing—not being steel strip or tubing—containing not less than thirty per cent by weight of nickel and twelve per cent by weight of chromium, for use in Canadian manufactures.....	Free	Free	20 p.c.

I shall ask my colleague, the Minister of National Defence, to move this amendment.

Mr. Pearkes: I so move.

The Deputy Chairman: Shall the amendment carry?

Mr. Benidickson: I presume we shall have a general discussion on opening up resolution No. 3. Then, I would like the minister to explain the reason for his amendment of item 355b. Mr. Chairman, this deals with basic iron and steel items which were referred to the tariff board for consideration. They were referred, of course, by the previous administration. Mr. Harris, the then minister of finance, wrote on May 19, 1955 to the tariff board under the act directing them to conduct an inquiry into the subject of the various tariff items that he outlined in his letter, and I should like to quote just the odd excerpt from this letter of Mr. Harris. He said:

I have received representations from Canadian primary iron and steel producers to the effect that the provisions of the *Customs Tariff* relating to their products have become out of date. They

request that these provisions be revised to take account of the expansion that has occurred in the Canadian industry, the changes that have taken place in production techniques, in trade usages, and other developments.

He went on to say in his letter:

I would request the board to prepare a revised schedule of tariff items, with recommendations—

I believe the minister may either request recommendations or simply request a report as to the general situation in the industry. In this case Mr. Harris asked for recommendations as to rates of duty covering primary iron and steel products, and to include a proposed schedule in the report. The then minister of finance said that in preparing its proposed schedule of rates of duty on primary iron and steel products the board should:

I would expect that the board would have regard to the rates now applicable to more highly manufactured products of iron and steel.

In drawing up a revised schedule it is recognized that certain adjustments in margins of preference may be involved. In this regard, however, it is not the intention that there should be any general change in preferential margins and the board should keep in mind the obligations of the GATT in this respect.