

I would like to add also—what is not in the text—a reference to the United States import duty on electrolytic copper, which is a duty of 2 cents a pound, currently suspended and to remain in suspension until June of 1954 unless the domestic United States price on copper drops below a particular figure, which happens to be  $24\frac{1}{2}$  cents a pound.

Instances can be quoted where the rates of duty are practically prohibitive. Baryte, for example, is a mineral which the United States needs to import. The value of the ore at the mine ranges from \$7 to \$10 a ton. The United States tariff on the crude ore is \$3 per ton, or \$6.50 per ton if it is in ground form.

These specific instances are selected to illustrate the general point that much remains to be done by way of reducing the barriers to trade which already exist and of avoiding the erection of further barriers.

In general it would be of great advantage to producers supplying the United States market, especially with primary materials which that country is going to need to an increasing degree, if its tariff rates were established on a longer-term basis and were less subject to sudden change. Temporary suspensions of duties for brief periods, followed by their sudden reimposition and by the imposition of special import taxes can produce nothing but disturbing and unsettling effects.

When we are dealing with base metals we are dealing with materials that are of vital importance for the national defence and international defence, and we are dealing with a commodity the protection of which cannot be quickly turned off and turned on as with a tap. If through tariff policies overseas markets should diminish, and thereby cut back the possibilities of our production, we have no assurance whatever that we shall be adequately supplied with these materials should a national emergency make it necessary.

**The Canadian Tariff:** As regards the Canadian tariff, we have no special comments to make at this time, except to stress that vigilance is required on the part of the Canadian Government against establishing "blanket" rulings, such as some which have been recently proposed, and which would have the effect of imposing higher rates of duty on items of machinery not manufactured in this country.

**Hon. Mr. EULER:** Would you elaborate on that? What form has that taken?

**Mr. WANSBROUGH:** One instance recently was referring to power shovels and cranes, the smaller sizes of which are manufactured in this country but the larger sizes, which are more used in the mining industry, are not. At the present time the larger sizes can be brought in from the United States either free of duty, if they are to be used directly in mining operations, or at the rate of  $7\frac{1}{2}$  per cent if not to be used directly for that purpose. In order to give the Canadian manufacturers of power shovels protection, certain sizes such as are made in this country have a protective tariff of  $22\frac{1}{2}$  per cent. An attempt was made recently to get a ruling that power shovels are a single class of machinery: if any are made in this country, all should be regarded as made in this country. The effect would have been to increase the range of the  $22\frac{1}{2}$  per cent duty to the greater bulk of power shovels which are imported from the United States. That is the kind of thing we have in mind when we speak of "blanket" rulings.

**Freight Rates—**Reference must be made to the dangers implicit for Canadian producers in the steadily mounting cost of freight rates. Mr. Donald Gordon recently pointed out that increased rates could cause loss of business because they rendered Canadian products non-competitive in world markets. This is particularly true of certain bulk mineral products such as pyrite concentrates where the value f.o.b. mine is substantially less than the freight involved to consuming centres.