

Customs Tariff

regard to equitable prices and fairness to all customers, of natural zinc products of this country.

The combines investigator in his report made a very unusual recommendation; he recommended the removal of the Canadian customs import tariff on refined zinc, the metal from which zinc oxide which was the subject of the commercial controversy is produced. This has developed since we last discussed this item, and I wonder if the Minister of Finance has received an appeal from the Minister of Justice, whose officers made this report, and whether or not he would inform the house of the developments which have taken place in the meantime.

Mr. Fleming (Eglinton): Mr. Chairman, the report of the restrictive trade practices commission recently circulated among members concerning the production, distribution and sale of zinc oxide has, I think, no bearing whatever on the changes proposed in resolution No. 2.

So far as the resolution itself is concerned, the significant changes which are recommended here are those on zinc strip and sheet and zinc dust. There is a change also with respect to zinc alloys. However, the report of the restrictive trade practices commission concerned zinc oxide and refined zinc and as to those two products, I might say first, with respect to zinc oxide, this item is dutiable under tariff item 242, which is one of the tariff items included in the chemical reference now before the tariff board for study and report. The chemical items in the customs tariff have been included in that particular reference which has for some time been awaiting a place on the very heavy schedule of the tariff board.

The other commodity was refined zinc, and in that respect the tariff board in its report on zinc and zinc products reported that none of the Canadian fabricators had suggested any change in the tariff applying to zinc in primary forms.

We shall, of course, give consideration to the recommendation of the restrictive trade practices commission that customs duties on refined zinc be removed. It could be that in the course of tariff negotiations such a reduction might prove to be a useful bargaining item.

Mr. Benidickson: Would the minister say what are the present rates on zinc in primary form?

Mr. Fleming (Eglinton): That is item 345a. The hon. member will see the rate in effect at the time of the bringing in of the budget under that item.

Mr. Benidickson: Is my hon. friend saying that the item which the combines investigator thought should not receive protection is in fact at present receiving no protection?

Mr. Fleming (Eglinton): No. My hon. friend will see that the rates have always been $\frac{3}{4}$ of a cent per pound British preferential and 1 cent per pound most-favoured-nation.

Mr. Benidickson: I was looking at tariff item 345a. I see it is 345a. The imports, I think, are referred to in the tariff board report which brings this item before the committee for discussion today. So far the imports of zinc or zinc products as outlined on page 24 of the tariff board report are of relative insignificance compared with the total production of zinc concentrates and refined zinc into this country.

Mr. Regier: Mr. Chairman, the resolution reads; "that it is expedient to amend the Customs Tariff—" and so on. There are many phases of this resolution with which we agree; there are other phases to which we take exception, and other members of this group will have some remarks to make on the specific matters that are recommended when the detailed items are up for consideration.

However, in the main, on the principles of the resolution, I can say that the C.C.F. believes that it is essential that we endorse the highest possible level of international trade. Much of the prosperity of our people in Canada depends on a high level of international trade, and this applies with special force to western Canada and I have in mind in particular my own province of British Columbia. The Canadian economy is very vulnerable indeed to any changes in the level of international commodity prices and, therefore, any amendment to the Customs Tariff is of vital concern, especially to the primary producers of this country.

Now, the ideal of the socialist, naturally, is eventual world wide freedom of trade. However, we recognize that the world in which we live today is not an ideal world and that this worthy objective and ideal cannot immediately be obtained; it may not be obtainable in our lifetimes even. Among the present limitations on world wide free trade are the varying standards of living of the workers in different countries of the world, and this has to be recognized. We cannot allow Canadian labour to be forced to compete with the wages that are being paid in many other countries.

There is another handicap which prevents the realization of our ideal of world free