

Customs Tariff

There have been many situations, we have found, in which there have been changes in manufacturing, changes in supply and in Canadian needs with regard to many of these items. We have so many items that are embraced within the scope of these particular tariff board references, most of which were directed by my predecessor, that since the reports were issued we have received a great number of representations drawing to the attention of the department that there have been changes since. There are a great many changes going on in the technique of manufacturing and in regard to the development of Canadian supply to meet Canadian needs.

Mr. Benidickson: It seems to me a great deal of flexibility has been introduced into this item that might involve a very radical change in the tariff impost. I indicated that if the value of the product was about \$60 a ton, it made no difference. I am told that under this item one might import a fair amount of specialty steel which I do not think is manufactured in any direct way in Canada. But if the specialty steel was valued at several hundreds of dollars per ton and the rate per ton instead of being \$3 became 5 per cent, my hon. friend can realize that the change in the duty from the recommendations of the tariff board is substantial indeed.

Mr. Fleming (Eglinton): With respect, Mr. Chairman, may I say that I think my hon. friend is mistaken in saying that this is a drastic change or anything approaching a drastic change. Actually this is a very minor change for all that it does is to achieve a minor simplification. There are Canadian sources of supply in this field, I may assure my hon. friend, that perhaps he was not aware of and that others were not aware of previously. This is a minor change.

Mr. Benidickson: Could my hon. friend indicate the sources of supply for specialty steel that might be valued at several hundreds of dollars a ton?

Mr. Fleming (Eglinton): I do not think I want to mention specific firms, Mr. Chairman; but I shall be glad to indicate to my hon. friend privately these Canadian available sources.

Mr. Pearson: May I ask the minister whether it is a fact that where changes have been made in the items under this resolution from the recommendations that came to the minister from the tariff board, those changes have been upwards in the sense of more protection?

Mr. Benidickson: On the steel item.

Mr. Pearson: Yes, on the steel item. If that is the case, surely one factor which

the minister gave as bearing on the desirability of change, namely the process of negotiation with the United States, would not operate.

Mr. Fleming (Eglinton): My hon. friend is quite mistaken. There are nine changes. Five of them are downward changes and only four of them are upward changes. I therefore suggest, with respect, that my hon. friend is quite mistaken in saying that the broad effect of these changes is to increase the tariff.

Mr. Benidickson: Just on that point may I say this. This matter is extremely complicated to those of us who have been out of touch with it for some time; and even when I had the good assistants whom the hon. gentleman has in front of him at the moment. I confess I always found it extremely baffling. The minister has indicated that there were nine departures from tariff board recommendations. Can he, with reference to the enumerated items that we have in front of us, say which ones are departures from the tariff board recommendations that involve increases and which ones involve decreases?

Mr. Fleming (Eglinton): The four increases are 378, 380, 381a, 382(5); the five decreases are 380a, 382(7), 384, 392a (2)—

Mr. Benidickson: My hon. friend and I are not talking about the same thing. I started off by indicating to him that at this stage my concern was to establish in committee reasons for departure from tariff board recommendations. I quite admit that with respect to 378a there is an increase as proposed by the minister when one compares that with the recommendation of the tariff board.

Mr. Fleming (Eglinton): There is no 378a.

Mr. Benidickson: I mean item 378. But when my hon. friend starts to give the reductions in tariff, they are reductions that were recommended by the tariff board.

Mr. Fleming (Eglinton): No. My hon. friend is quite mistaken. I am speaking about reductions that have been introduced in this resolution as compared with recommendations of the tariff board.

Mr. Benidickson: Just in order to put me on the track here, let us look at item 381 which the minister instances as a reduction from what was recommended by the tariff board. Where does that come in? My quick checking indicates that the resolution was in accord with what the tariff board recommended.

Mr. Fleming (Eglinton): I suppose we can jump around in this way, Mr. Chairman;