

Customs Tariff

That is all I propose to say on item 397 and now, perhaps, the hon. member for Ottawa West might wish to ask his question.

Mr. McIlraith: I take it that the minister does not, of course, suggest that the 2½ per cent difference on skelp between what was recommended and what he has brought in under the resolution is the equivalent of 2½ per cent duty on the finished article? I am sure he will not want to leave that impression.

Mr. Fleming (Eglinton): Not entirely, and not in terms of dollars and cents. Nevertheless I think the hon. gentleman will agree that basically it maintains the difference that exists between the rate on the incoming material on the one hand and on the finished product on the other hand, in a tariff sense.

Mr. McIlraith: Before we leave item 397, I have just one other question. The minister has not dealt with the change of wording. What he has said by way of explanation of item 397 is weakened by the fact—and I would ask him to comment on this—that the item is no longer applicable to the vast majority of the pipes and tubes, because of the language used in item 399. Formerly, item 397 included oil pipe lines, but it no longer does.

Mr. Fleming (Eglinton): Item 399, as I will say in a moment, sets up a new and special item for pipe lines, and pipe lines alone.

Mr. McIlraith: No; on 397, what I had in mind—

Mr. Fleming (Eglinton): On 397 I thought, from the way in which the hon. gentleman started out, that he was going to talk about the change in wording in relation to fittings—

Mr. McIlraith: No.

Mr. Fleming (Eglinton): —because they are dealt with now under item 400.

Mr. McIlraith: My point was that he compared it with 397a, which previously covered a large percentage of the total tonnage of pipe manufactured in this country. Because of the changed wording, it will now cover a relatively small percentage of the total pipe manufactured in Canada. That is the point I wish to make. Item 397 is no longer applicable to pipe used in oil pipe lines; whereas formerly it covered all oil pipe lines.

Mr. Fleming (Eglinton): That is true. That is the point I was dealing with. Item 399 is the new item which now deals with pipe for pipe lines. Item 397 remains the basic item dealing with pipes or tubes of iron or steel not otherwise provided, and we have taken out of the general description the tubes

[Mr. Fleming (Eglinton).]

or pipes, fittings and couplings, in 399 used in the transmission of natural gas to points of distribution or in the transmission of crude oil.

Mr. McIlraith: I do not think I am making myself clear to the minister. What I want to get at is this. The effect of changing the language in item 397 as compared with the former item 397a is to make this item, which the minister spoke of as the basic item, no longer the basic item. As it existed, the basic item covered a very large percentage of the total pipe manufactured in this country. Under the new language it has become applicable to only a relatively much smaller percentage of the total pipe manufactured in Canada. That was the point I wished to establish.

Mr. Fleming (Eglinton): Mr. Chairman, item 397 covers all the pipes and tubes—

Mr. McIlraith: Not otherwise provided for.

Mr. Fleming (Eglinton): —that the former tariff items 397a and 397b covered, with the exception of the pipes or tubes now proposed to be covered in 399. Items 397 and 399 cover the totality of pipes and tubes as did 397a and 397b under the old tariff.

Mr. McIlraith: Yes, that is correct. Going on from there, the point I want to establish is that under the old item 397a there was this higher tariff that the minister concerned himself with a moment ago. Item 397b was a lower item which, as I indicated, until very recently covered the pipes and tubes not made in Canada. That was the effect of it. By changing the language of item 397 the minister has now made it applicable only to certain limited pipes and tubes; whereas formerly it covered a very large percentage of the total pipe manufactured in Canada.

Mr. Fleming (Eglinton): Yes, my hon. friend and I were on common ground that 397 and 399 in the resolution cover the totality of pipes and tubes as did 397a and 397b in the old tariff.

Mr. McIlraith: That is correct.

Mr. Fleming (Eglinton): Now without going too far off the line of argument or remarks that I was about to follow, let me just say here and now, Mr. Chairman, that in the amendment I am proposing to ask one of my colleagues to introduce to item 399 the rates will be for pipes or tubes of iron or steel more than 10½ inches in diameter, and fittings and couplings therefor, B. P., 10 per cent; M.F.N., 15 per cent; general tariff, 30 per cent; whereas, under the old item 397b, which covered pipe more than 10½ inches, the B.P. and the M.F.N. rates were just the same, namely 10 per cent and 15 per cent respect-