

Customs Tariff Amendment Act, 1971

lene resin. It is anticipated that Canadian production of this commodity will increase about 8 per cent during the current year over 1970, while imports have remained at about the same level. These resins are used in the manufacture of film and sheet pipe, and numerous moulded articles, such as containers and electrical fixtures. They are also used as coatings for wire and cable.

Mr. Peters: May I ask whether the tariff on polyethylene is up or down? There is no indication which it is here.

Mr. Mahoney: This represents an increase of 2½ percentage points, from the present rate of 7½ per cent to 10 per cent. This is another recommendation of the tariff board. The main opposition to higher duty for this product came from producers of polyethylene film who do not produce their own polyethylene. Imports of this commodity in millions of pounds increased from 27 million pounds in 1964 to 98 million pounds in 1970, while exports decreased from 55 million pounds in 1964 to 36 million pounds in 1970. The tariff board report indicated that polyethylene prices had declined by about 50 per cent during the decade of the 1960's, and recent data indicate this trend is continuing. I might point out that United States duty on the same material was 1.6 cents per pound plus 12 per cent in 1971. The European Common Market imposes a 16 per cent duty, which will be reduced to 10 per cent in the future.

Mr. Peters: Mr. Chairman, the parliamentary secretary has mentioned that European Common Market countries enjoy a lower rate than the 20 per cent in our general tariff. Is the 10 per cent rate available only to those who conclude a tariff agreement with us, and in the absence of such a tariff agreement do we revert to the general tariff? In other words, if we imported this material from one of the European Common Market countries, would the rate be 12 per cent—or whatever the figure is—as opposed to the 20 per cent rate in the general tariff?

Mr. Mahoney: Mr. Chairman, I am advised that the general tariff rate is not of any practical application here, and that for all practical purposes imports of this product come from countries to which the most favoured nation tariff applies. All of the European Common Market countries qualify under the most favoured nation tariff rather than under the general tariff.

One other question that was raised last night by the hon. member for Timiskaming was the length of time it is open to an importer to claim a drawback. I am advised that drawbacks may be claimed at any time up to three years after the date of importation.

I think I have responded to all of the questions posed up to this point, Mr. Chairman.

Mr. Peters: Mr. Chairman, we are importing a number of items connected with medicines, insecticides and pesticides.

Some hon. Members: Hear, hear!

Mr. Peters: Mr. Chairman, I see the Acting Chairman is leaving the chair, so may I just say that he has done an admirable job. I know the rump is a considerable distance from the end of this chamber, but I am sure that over the

next day or two Liberal members will have an opportunity to get together and make each other's acquaintance.

• (3:50 p.m.)

In referring to the biological products and toxoids found under items 2605-1 and 20610-1, I find that this has been a major problem over the last few years. Certainly it was a major problem in Canada when we introduced legislation to further restrict the number of commodities used as insecticides and pesticides. We were made aware of the fact that many new commodities were available in the United States and in other countries, and that on occasion these were allowed to be imported into Canada in conflict with the restrictions that we have on other products. Some of these commodities are obviously experimental in nature and, I presume, are restricted. However, the people affected are a fairly complex group who are operating almost independently, both in universities and in the research field, and who are fairly remote from the regulations which we make governing industrial production of the same commodities or of commodities using the same components. I might say that I am reluctant to admit that I do not know how extensive the negotiations are regarding these commodities, but I gather that when we lower the tariff this is done for reasons other than the normal requests sometimes made by individuals who will apply for a permit for a specific commodity. There must be a fairly extensive importation or there would not be a request for this kind of exemption.

Mr. Mahoney: Actually, these two items represent no change in the tariff. They represent a consolidation of previous items. Item 20605-1 brings in an item which used to be 20606-1. They simply represent a consolidation which provides free entry of biological products used to diagnose or treat diseases of man and free entry for the same products used to prevent those diseases. The question of whether they are acceptable for human use in Canada is of course under the jurisdiction of the Food and Drug Directorate of the Department of National Health and Welfare and import permits would be required, but those are not related to the Tariff Act. Similarly, on 20610-1 we have a consolidation of two previous items, one dealing with biological products used to diagnose or treat diseases of animals or poultry and the second one for the importation of the same products used to prevent disease. Here again the Health of Animals Division of the Department of Agriculture is concerned with the safety and acceptability of the product, and permits from them would be required in cases where the item is not itself prescribed as being for use in Canada. But that is not something that the Tariff Act tries to control. All of these deal with items that are permitted free entry.

Mr. Barnett: Mr. Chairman, I did not take part in the discussion at the second reading stage of this bill, but I have some questions which I would like to put to the parliamentary secretary in relation to the terms of Schedule "A", item 41100-1 and 41105-1. Item 41100-1 has two parts. The first refers to machines for sawing lumber, up to but not including the operation of planing, and parts thereof, not including equipment for driving the machinery of the saw mill when used exclusively in saw mills.