

Customs Tariff

pipe for transmission of natural gas. There were many debaters who followed the minister in the meantime but did I understand him to say that, notwithstanding the fact that the drawback item was restricted to gas transmission there had been a practice of remitting under another provision of the law the import duties paid by those that are engaged in the transmission of, shall we say, oil? I was not aware of that.

Mr. Fleming (Eglinton): That is what I indicated.

Mr. Benidickson: That equalizes the situation which, when I was looking at these documents, I thought was not equalized.

Mr. Fleming (Eglinton): Yes. The remission was made under the Financial Administration Act.

The Deputy Chairman: Shall item 397 carry?

Mr. Caron: I just wanted some information on item 396. I think there was a duty of \$5 per ton under the B.P. tariff and now it is 7 per cent on a certain type or pipe. What would be the difference?

Mr. Fleming (Eglinton): Would my hon. friend care to indicate what particular type of pipe he has in mind? This item 396 contains a re-grouping of two former items with various rate. Would my hon. friend care to be more specific as to the type of pipe he has in mind?

Mr. Caron: I personally do not know anything about pipes. The only thing that surprised me was this. There was a duty of \$5 per ton and it has been changed to 7½ per cent. Suppose we take as an example a pipe of any type and compare the price of it previously and the price it would cost today to get it in Canada?

Mr. Fleming (Eglinton): I am told that this change might mean a slight increase, but not a great difference.

Mr. Benidickson: I think the tariff board report indicated that the products under this item have a value of—and of course that is two years ago—between \$130 and \$160 a ton.

Item agreed to.

Item 397a agreed to.

Customs tariff—397b. Corrugated metal culvert pipe, quoted or not: British preferential tariff, 12½ per cent; most-favoured-nation tariff, 15 per cent; general tariff, 30 per cent.

Mr. Benidickson: This item has no reference to the tariff board report. Am I right in thinking that? This is just a rewording of some kind?

Mr. Fleming (Eglinton): Yes; it has not any reference to the report.

Item agreed to.

Item 398 agreed to.

Mr. Fleming (Eglinton): Perhaps this would be an appropriate point at which we might carry item 384 which was held over from resolution 3.

Item 384 agreed to.

Resolution 3 agreed to.

Items 398a, 398c, and 399 as amended agreed to.

Customs tariff—399a. Pipes or tubes of iron or steel, commonly known as "oil country goods", being casing or tubing and fittings or couplings therefor, for use in connection with natural gas or oil wells: British preferential tariff, 5 per cent; most-favoured-nation tariff, 10 per cent; general tariff, 20 per cent.

The Deputy Chairman: Shall this item carry?

Mr. Benidickson: No, Mr. Chairman. On this one I want to ask what prompted the minister to recommend a most-favoured nation tariff rate of 10 per cent instead of 7½ per cent as recommended by the tariff board? He has explained some of his difficulties in negotiating, by reason of GATT obligations, with the United States. But this seems to be a new impost against the United States. How did he get away with that at the same time that he found the U.S. people were being rather hard with him on some other items under negotiation.

Mr. Fleming (Eglinton): As to item 399a applicable to what are known as "oil country goods", the tariff board recommended an M.F.N. rate of 7½ per cent. Following the publication of their report strong representations were received from the Canadian industry urging that this type of pipe be made subject to the rates of duties recommended for pipe generally, namely B.P. of 12½ per cent and M.F.N. of 22½ per cent. The item that is proposed in the resolution represents an increase of 2½ per cent in the M.F.N. rate recommended by the tariff board, with no change in the B.P. rate.

Mr. Benidickson: This was a bound item, was it?

Mr. Fleming (Eglinton): No, this was not a bound item previously, and I think my hon. friend will appreciate that is probably the reason—

Mr. Pearson:—you got away with it.

Mr. Fleming (Eglinton): We made the change.

Item agreed to.

Items 399a, 399b, 399c, 400, 400a, 410b, and 410d agreed to.