

Customs Tariff

recommendation No. 2. Where is recommendation No. 2 to be found in the enumeration of tariff items that we have in front of us at this moment.

Mr. Fleming (Eglinton): It is under item 400.

Mr. Benidickson: In different wording and somewhat altered from the recommendation, is that correct?

Mr. Fleming (Eglinton): Yes.

Mr. Pearson: I should like to say just a word on this particular item, Mr. Chairman, though it really is pertinent to the whole of the resolution. The schedule of recommendations proposed by the tariff board is, I gather, followed in the main. Perhaps the minister would be good enough to let the committee know, as he did this afternoon, where these recommendations are departed from and whether the departures represent an increase or a decrease in protection.

The minister said in his budget speech that the changes proposed in this resolution would involve some reductions and some increases. Later, I think he said in the same speech that the major result of these changes will be to make more effective the protection which is afforded to Canadian producers. We must assume, therefore, that the increases are more important than reductions. Perhaps the minister might, on that other point I mentioned, be good enough to do what he did this afternoon and which we found helpful in the discussion of these items, that is to indicate where there are departures from the tariff board recommendations and whether they are departures upward or downward from those recommendations.

Mr. Fleming (Eglinton): Yes, gladly, Mr. Chairman. Here again, as was the case with the recommendations of the tariff board respecting the iron and steel items in the tariff, what is being brought in here is a modernization of the tariff. Speaking of making it more effective we had in mind the elimination of a number of end use items.

The resolution, as compared with the report of the tariff board, contemplates increases in three items and decreases in six. The three items increased as compared with the recommendation of the tariff board are 399, 399a and 400. The six items in which the resolution proposes a decrease as compared with the recommendations of the tariff board are as follows: 397, 397b, 399, 410b, 410g and 410z.

Mr. Pearson: Did the minister say there was an increase in the change recommended in 399, and then go on to say there was a decrease in that same item?

[Mr. Benidickson.]

Mr. Fleming (Eglinton): That is correct. If the Leader of the Opposition will look at the columns under the heading "Rates in effect prior to rates proposed in this budget", he will see that there are various rates there and the effect is to reduce some and increase others.

Mr. McIlraith: Perhaps if the minister would indicate his amendments now, it might be helpful.

Mr. Benidickson: Well, only when we come to 399, perhaps.

Mr. Fleming (Eglinton): Yes, the only amendment is with respect to item 399.

Item agreed to.

Customs tariff—397. Pipe or tubes of iron or steel, n.o.p., with plain or processed ends, whether or not coated or lined: British preferential tariff, 12½ per cent; most-favoured-nation tariff, 20 per cent; general tariff, 30 per cent.

Mr. McMillan: I have been aware for a considerable time that representations were made to the former minister of finance in connection with the customs tariff relating to basic iron and steel products as well as iron and steel pipes and tubes. These matters were referred to the tariff board under reference Nos. 118 and 119, and certain recommendations were made by the tariff board in connection with pipe. The city of Welland happens to be a pipe manufacturing centre, so naturally I have looked at these proposed items with a view to ascertaining whether or not these tariff items might add to the large number of unemployed we have in that area now.

Under tariff item 384 the duty on skelp for use in the manufacture of pipes has been increased. The British preferential tariff has not been increased, but the most-favoured-nation tariff has been increased from 5½ per cent to 7½ per cent, and the general tariff has been increased from 5 per cent to 15 per cent. I am told that very little skelp comes in from Great Britain or the United States. The pipe mills in Welland are not integrated and they must buy their skelp. The fact is that the increase in the most-favoured-nation tariff of 2½ per cent on skelp will in all likelihood increase the price of skelp, whether it is bought in the United States or at home in Canada.

I notice that the tariff board recommended one tariff item which would be the main or basket item relative to pipes or tubes of iron or steel. It would cover, wholly or in part, such pipes and tubes as come under 15 or more existing items. The recommendation of the tariff board was not to differentiate further in the size of pipe. The old item 397a had to do with pipe up to 10½ inches and item 397b with pipe over 10½ inches.