

## Customs Tariff

tons and under and have made an additional class of those over 20 tons. Is that right?

**Mr. Fleming (Eglinton):** The tariff board recommended an increase of 5 per cent in both the British preferential and most-favoured-nation tariff on forgings over 20 tons in weight. Since forgings over 40 tons are not available in Canada this item is being proposed to retain without change the rates of duty formerly in effect on the large forgings over 40 tons.

Item agreed to.

Item 392a (2) agreed to.

**The Chairman:** Shall we proceed with resolution 4 and let this one item stand?

**Mr. Fleming (Eglinton):** We have allowed item 384 to stand, Mr. Chairman.

**The Chairman:** Then we shall let item 384 stand and take it up when we reach item 397.

4. Resolved, that schedule B to the Customs Tariff be amended by striking out items 1005, 1006, 1007, 1009, 1015, 1023, 1025 and 1045, and the enumerations of goods and the rates of drawback of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of drawback of duty:

Customs tariff—1004. Steel when used in the manufacture of files: payable as drawback, 60 per cent.

**Mr. Benidickson:** We are now dealing with three items of the drawback category. Am I right in thinking that in all respects these comply with the tariff board recommendations?

**Mr. Fleming (Eglinton):** Yes, Mr. Chairman.

Item agreed to.

Items 1005 and 1006 agreed to.

Resolution agreed to.

5. Resolved, that schedule A to the Customs Tariff be amended by striking out tariff items 396, 396a, 397, 398, 398a, 398b, 398c, 399, 399a, 399b, 399c, 400, 410b, 410d, 410g, 410z and 848, and the enumerations of goods and the rates of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of duty:

Customs tariff—396. Pipes or tubes of cast iron, whether or not coated or lined: British preferential tariff, 7½ per cent; most-favoured-nation tariff, 12½ per cent; general tariff, 25 per cent.

**Mr. Benidickson:** We are now on a new section dealing with tariff board reference No. 119, pipes and tubes of iron or steel. This too was submitted by the former minister of finance to the tariff board on September 14, 1955, I believe. As everyone realizes, there is quite a correlation between the two references. The material that the pipe and tube industry utilizes is involved in the section we have just considered. I think the reports were made by the tariff board to the minister more or less simultaneously, is that correct?

**Mr. Fleming (Eglinton):** Yes, the two reports bear the same date, February 28, 1957, and were submitted together by the board.

**Mr. Benidickson:** Basically, of course, this involves a conflict of interest between our manufacturers of pipes and tubes and particularly our new and expanding resource industry engaged in the development of our petroleum resources. Shortly after his budget speech I think the minister received a protest from the Canadian petroleum association. I have not seen a copy of the protest, but perhaps the minister could give us some information about it.

**Mr. Fleming (Eglinton):** No, I have no recollection of receiving a protest from the Canadian petroleum association.

**Mr. Benidickson:** I am quoting from the *Edmonton Journal* dated June 28, and which indicates that the Canadian petroleum association felt that not only in respect of certain income tax matters but with respect to—

**Mr. Fleming (Eglinton):** What is the date of that?

**Mr. Benidickson:** June 28, after presentation of the budget. I am quoting from an article in the *Edmonton Journal*, and they state that while the tariff boosts unfavourable to them were perhaps not large, that is was not a big tariff boost, it was felt to be enough to add to oil exploration and production costs at a time when the industry is cutting corners everywhere in an effort to weather a very difficult period in their experience. I have not a copy of the brief, but I thought the minister might outline it to us. The minister says he is not familiar with the brief?

**Mr. Fleming (Eglinton):** No, I have been discussing this with the officials and I will check further, but no one seems to have any recollection of receiving any submission from that source on that subject. I might suggest to my hon. friend that the matter he is discussing does not seem to be item 396, in any event.

**Mr. Benidickson:** No, I am thinking of making remarks which I think are appropriate at this time when we are introducing discussion of this new resolution dealing with a group, namely the pipes and tubes group. As I indicated when we were discussing former sections, I find some deviations in the resolution as proposed by the minister and the recommendations of the tariff board. With respect to this tariff board report No. 119 I am concerned about