

HOUSE OF COMMONS

Wednesday, April 18, 1962

The house met at 2.30 p.m.

EXCISE TAX

AMENDMENT OF RESOLUTION RESPECTING SALES TAX

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, in keeping with the practice I followed in previous years I should like to give notice of an amendment to the Excise Tax Act resolution which I intend to move when this resolution comes before the committee of ways and means in due course. The amendment is merely to change the effective date of paragraph 7 of the Excise Tax Act resolution.

The paragraph in question deals with the liability for sales tax when certain equipment is diverted from a tax exempt use to a taxable use. It now provides that legislation based thereon is to become effective from budget night. The amendment I propose provides that this legislation shall come into force on receiving royal assent. In view of the expected delay in the enactment of legislation based on the budget resolutions it is considered that this paragraph, which concerns the administration and collection of sales tax, should not be considered as having come into effect on budget night and instead should await the passage of legislation.

I think I should give the text of the proposed amendment.

That paragraph 9 of the Excise Tax Act resolution be amended to read as follows:

"9. That any enactment founded on paragraphs 1 to 6 of this resolution be deemed to have come into force on April 11, 1962, that any enactment founded on paragraph 7 of this resolution shall come into force on the date the said enactment is assented to, and that any enactment founded on paragraph 8 of this resolution be applicable in respect of contracts of insurance entered into or renewed after April 10, 1962."

HEALTH AND WELFARE

REMOVAL FROM MARKET OF DRUG MER 29

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, on March 30 I made a brief statement in the house relative to a drug called thalidomide which has been removed from the market. Last Monday similar action had to be taken regarding another new drug, MER 29, and I understand that parallel steps were carried out in the United States.

I might add that in order that the procedure for reviewing new drugs should encompass the most complete assurances of their safety, I have today requested the Royal College of Physicians and Surgeons of Canada to set up an ad hoc committee to consider procedures which the department has followed for over 10 years.

I am most anxious, Mr. Speaker, that the people of Canada receive the full benefit of advances in medical science as soon as safety has been determined. I trust that the action being taken today will be reassuring in this regard.

TRADE

GATT—ANNOUNCEMENT OF FURTHER RESULTS OF NEGOTIATIONS

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I should like to announce some further results of the GATT tariff negotiations which have been taking place in Geneva.

During the tariff conference Israel, Portugal, Cambodia and Spain engaged in tariff negotiations with several countries in order to complete the necessary steps for their accession as member countries to GATT. This will bring the membership of the GATT to 44 members, accounting for well over 80 per cent of world trade.

In our negotiations with Israel and Portugal, concessions of interest to Canadian exporters were secured. In addition, indirect benefits accrue to Canada by virtue of bilateral negotiations between these two acceding countries and third countries including the United States. The results of the United States negotiations with these two countries have already been drawn to the attention of the house in my announcement of April 6.

Tariff reductions obtained from Israel of interest to Canadian exporters include the following: wheat, aluminum, synthetic rubbers, phenol and radio navigational instruments. Bindings against tariff increases were secured on hoops and strips of iron and steel, internal combustion engines and cattle hides.

Portugal has agreed to reduce the duty on flaxseed, synthetic rubbers, copper, synthetic fibre threads and yarns, films and refrigeration apparatus. Existing rates on salted cod were bound against increase.

In return, Canada has agreed to bind the existing free entry on oranges, almonds,