

Customs Tariff

reduction of tariff measures and the lowering of non-tariff measures. Before discussing the tariff measures we propose to include in the Customs Tariff which are covered in the bill now under study, I would like to explain briefly to the House the second aspect of the GATT agreements, namely, that of non-tariff measures.

Certain of Canada's commitments with respect to the lowering of non-tariff measures were the subject of a discussion paper which I tabled in the House on July 16, 1980, and which was referred to the Standing Committee on Finance, Trade and Economic Affairs for study on October 9 last. This paper deals with the imposition of anti-dumping and countervailing duties and emergency safeguard actions. I must say, Mr. Speaker, that I am anxious to see the work done on this paper and the standing committee report.

Second, since Canada had undertaken to revise its legislation on customs valuation, on August 29 last I asked the Tariff Board to initiate a review of the draft legislation and to study the impact it would have on customs duties in Canada. Third, there are certain agreements that can be brought into force in Canada without legislative change—most notably those relating to government purchasing practices and technical barriers to trade, which are also part of the non-tariff agreements we signed within the general framework of GATT.

I would like now to deal, perhaps a little longer, with tariff measures. As regards the purely tariff measures, the amendments set out in section 7(1) and schedule II of this bill would implement the tariff concessions Canada agreed to in the Tokyo Round trade negotiations. Canada approved the results of the tariff negotiations in June, 1979, and signed, subject to ratification, two GATT tariff protocols which commit participating countries to the new most favoured nation tariff rates negotiated in the Tokyo Round trade negotiations.

These protocols also set out the rules governing the phase-in of these reduced rates. They require, as a general rule, that participants reduce their tariffs in eight equal annual instalments with the first cut taking effect January 1, 1980. Each country negotiated a number of exceptions to this rule. For example, tariff reductions on steel will not begin until January 1, 1982, in Canada, the United States and the European Community.

Other variations were negotiated for particular products. Canada's tariff reductions are being phased in no more quickly than required by the protocols except in a few cases where there is a clear consensus in the Canadian industry for accelerated reductions. For example, the tariff reduction on computers is being implemented in five annual steps instead of the period provided for in the agreement, and that for brass band instruments is being implemented in one single step. So much so for the cornet players.

● (1240)

The provisions of this bill relating to the outcome of the trade negotiations are the same as those proposed by the former government in a notice of ways and means motion tabled in the House on December 12, 1979. Following the dissolution of Parliament on December 14, an order in council was passed to give interim effect to the first stage of the tariff reductions. The order was revoked when the motion was reintroduced in Parliament on June 2, 1980. In addition to implementing the agreed tariff cuts, the bill provides, in section 5, authority for the government to withdraw concessions in the event other countries should fail to fulfil their obligations under international trade agreements.

Mr. Speaker, I would like to deal briefly with our proposed amendments to the list of beneficiaries of the British preferential—BP—tariff. This bill also incorporates proposals made by the Conservative government for phasing out the British preferential tariff on goods from Britain and Ireland and withdrawing the British preferential tariff on goods from South Africa. It also revokes three acts of Parliament relating to the preferential trade agreements with these countries. Upon termination of the British preferential tariff treatment, imports from these countries will be subject to most-favoured-nation tariff rates.

At this point I would like to explain a bit further the phase-out schedule for the British preferential tariff. This phase-out schedule for British and Irish goods is as follows:

Where the existing British preferential rate is lower than the final most-favoured-nation concession rate—that is the rate that will apply in 1987 when all stages of the agreement will be completed—the bill proposes that the rate of duty on goods from Britain and Ireland would be increased to the MFN level in not more than three stages commencing on June 3, 1980, and ending on January 1, 1982. The result is that in many cases the rates on British and Irish goods, although higher than at present, will be lower than MFN rates until January 1, 1987, because the MFN rate reductions will be phased in gradually over the period 1980-1987. Where the BP rate is equal to or higher than the final MFN concession rate, the BP rate will remain at its current level until the MFN rate is reduced to that level.

Now, a few words concerning the measures in the budget introduced by the Minister of Finance. The tariff measures proposed in the budget of October 28, 1980, are incorporated in part IV and schedules VI to IX of the bill now under consideration. These provide duty-free entry for a range of antiques, collectables and hobby equipment as recommended by the Tariff Board in its report on reference No. 156. Included are motor vehicles over 25 years of age and parts for restoring such vehicles, amateur radio equipment, mountain-climbing equipment, astronomical telescopes and other things. Free entry will also be provided for sports equipment meeting