

Customs Act

certain adjustments were made to the Board's proposals to reflect the scheduled Tokyo Round multilateral trade negotiations reductions and to reflect certain concerns of the business community and our trading partners.

Second, the customs valuation code does not allow the use of the current ministerial prescriptions whereby the Minister of National Revenue (Mr. Beatty) can establish values for duty for certain classes of goods in cases where values cannot otherwise be determined under the law. To replace some of these ministerial prescriptions, the Bill would implement an advance of 25 per cent of the existing tariff rate for used and less than prime quality goods. This was also a proposal of the Tariff Board developed after discussion with interested sectors of the Canadian business community.

• (1530)

In order to ensure that this advance is applied only where necessary, the legislation would allow the Governor in Council to make regulations to define these goods, to exclude certain goods from the application of the advance and to allow for suspension of the application where appropriate. Finally, as a new measure, importers will be able to avail themselves of the appeal procedures contained in the Customs Act when used and less than prime quality goods and the tariff rate advance are in question.

I might add that consultations with our trading partners have also been completed. They accept these measures as being compatible with our international rights and obligations.

Effective January 1, 1985, Part II of this Bill will also implement the expanded duty-free product coverage of the GATT Agreement on trade in civil aircraft. Since Canada already extended duty-free entry to most of the 32 new-product categories now covered by the agreement, only minor inclusions need to be made to our duty-free provision. However, export opportunities to markets of the signatory nations including the United States, European communities and Japan will be improved as a result of their removing tariffs on these 32 categories of products.

As a result of Tariff Board recommendations, this Bill also removes a condition established for 19 tariff items that imported items must be of a class or kind made or not made in Canada in order to be allowed entry at specified tariff rates. The changes being proposed represent only some items contained in the board's proposals. The remaining items are being held for consideration at a later date.

Effective February 16, 1984, the Bill also introduces a number of miscellaneous tariff changes. One change is an increase in the limit for duty and tax-free entry of unsolicited gifts from \$25 to \$40. This will be welcomed by Canadians who receive gifts from friends and relatives abroad and is also consistent with the limits established by other countries.

Duty-free entry is also being extended for a wide range of capital equipment used by semi-conductor manufacturers. These companies now export over 90 per cent of their production, and this measure will assist them in lowering their costs and help them in export markets. A number of other minor

changes are included in the Bill which respond to requests from the private sector or which resolve certain technical administrative problems for customs officials.

In conclusion, let me emphasize that the measures proposed in this Bill are very significant because they will enhance Canada's contribution to the multilateral trading system by bringing Canada's customs valuation procedures into line with those of our trading partners. They are also significant because they are of benefit to many sectors of the Canadian business community. I hope that the House will agree that they are worthy of speedy passage, bearing in mind Canada's international commitment to implement the GATT valuation code by January 1, 1985.

Miss Aileen Nicholson (Trinity): Mr. Speaker, we had a most interesting morning as we heard Members of the government side discover new virtues in the measures introduced this morning, measures which in most cases were identical to those introduced in the last Parliament through the Lalonde budget. It is interesting how measures which would ruin the country in February have now become, under a new Conservative Government, measures well worthy of support.

We find ourselves in the same situation with the current legislation. This legislation seems to be virtually identical to measures introduced in the February 15 Budget. The present measures to amend the Customs Act and Customs Tariff have been combined, but I cannot see any essential difference between the two. There are some small differences in drafting, one or two differences in timing, and the lack of seven further tariff rate increases which were proposed in 1984. Otherwise, the measures seem to be identical to those of February, 1984.

I shall now wait with great interest to hear Members on the government side tell us what good measures these are, whereas last February they were telling us how disastrous they were.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am again pleased to have an opportunity to comment on Bill C-9, an Act to amend the Customs Act and the Customs Tariff. The Minister of State for Finance (Mrs. McDougall) has very clearly outlined the nature of this Bill and its importance in terms of bringing Canada's trade practices into line with those of her major trading partners. For that reason, and recognizing the important role that trade plays in Canada's economy, we are certainly quite prepared to see quick passage of this Bill. This would send a very clear signal out to those people involved in importing and exporting that Parliament wishes to see their entire sector expanded.

Basically, Mr. Speaker, this Bill does two things. It changes the way in which goods imported into Canada are valued before they are assessed customs duty and it changes the customs tariff on a number of goods. The Minister has indicated that this is simply a move in the direction of the GATT customs valuation code that ought to be in place by January 1, 1985. This was agreed upon during the Tokyo round of GATT negotiations. It was there that Canada made that commitment, and this Bill basically ensures that that takes place by that identified date.