

Customs Tariff

● (1522)

GOVERNMENT ORDERS

[Translation]

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Jean Chrétien (Minister of Finance) moved that Bill C-48, to amend the Customs Tariff and to amend an act to amend the Customs Tariff, be read the second time and referred to committee of the whole.

He said: Mr. Speaker, the purpose of Bill C-48 is to implement the proposed changes in the Customs Tariff contained in the ways and means motion that accompanied the budget on April 10, 1978. Proposed changes deal with the four following points: first, the extension, for another year, of the temporary reductions on a huge array of consumer goods which otherwise would have expired on June 30, 1978; second, the cancellation of the advantages granted through the British preferential tariffs on certain goods imported from Great Britain and Ireland; third, the provision of assistance to Canadian manufacturers of industrial tractor tires and chemical products used in the production of pesticides; and finally, various changes reducing the tariff on certain imports by an amount of roughly \$135 million.

The main provision of the bill, namely clause 5, provides for the renewal, till June 30, 1979, of the many temporary tariff cuts which were to have expired on June 30, 1978. Those cuts were provided as a means to fight inflation in the February 19, 1973, budget. Imports benefitting from the tariff cuts were estimated at about \$1.5 billion in 1977 of which food products, including raw sugar, represented about \$400 million. Other products included in the overall proposal are: medical and pharmaceutical products, automobile parts, hand tools, photographic equipment, vacuum cleaners, china and sports articles.

The complete proposal for July 1, 1978 will differ on four points from that of 1977. First, the reduced customs tariff rate on canned and frozen asparagus and frozen brussel sprouts will expire on June 30, 1978. This measure takes into account the recommendations of the Tariff Board to increase the protection in the case of these products. Moreover, the reduction of customs tariffs on glassware will expire in order to stimulate the development of the Canadian production of those items. Third, the reduction of customs tariff on synthetic detergents will not be renewed after June 30, 1978, due to the fast growing rate of imports in this sector. Finally, the 10 per cent temporary rate applied to some canned meat will also expire at the end of June. It will be raised to 15 per cent, a figure more consistent with the rates applied to other meat products as well as to the needs of the industry, but even then far below the rates effective before 1973.

[Mr. Speaker.]

We propose to cancel the advantages granted through the British preferential tariffs on certain goods imported from Great Britain and Ireland, namely confectionery, truck-mounted cranes, some diesel engines, some equipment used for community television broadcasting and knitted wear. This measure is motivated by the desire to help Canadian manufactures which do not operate at full capacity or which have seen their volume of business drop significantly because of the preferential rates granted to some imports. From now on, these imports will be subject to the most favoured nation tariff. Of course, Canada no longer has to apply preferential tariffs to goods from Great Britain or Ireland. A number of them will probably disappear under the tariff cuts which will be determined at the multilateral trade negotiations.

The bill also provides for duty on tires for tractors used for other than farm purposes. This measure will aid Canadian manufacturers who produce tires for industrial tractors and will put an end to a situation of inequity whereby tires used for the tractional components of certain types of equipment are duty free whereas tires for the non-tractional components are dutiable.

The proposed imposition of duty on two basic chemicals used for manufacturing herbicides will allow important investments in this industry and will help in establishing a guaranteed Canadian source of supply. Pesticides used for farming purposes will continue to be duty free.

There are also other amendments contained in Bill C-48. Aircraft and aircraft engines of types and sizes not made in Canada which were to be temporarily duty free until June 30, 1978 will continue to be so for an extra year. Markers used for crop dusting operations, as well as catgut used in the repair of sports racquets would also be duty free. The bill also proposes a cut for parts of electric light fixtures.

Mr. Speaker, this concludes my general comments on Bill C-48. I will be happy to answer specific questions on the bill when it is considered by the committee of the whole.

[English]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this is one of those bills that, because of its highly technical nature, precipitates a rather limited debate. I suppose the only subject matter that is even more technical and would produce a more narrow debate would be that involving the Income Tax Act.

This motion gives rise to a rather interesting debate because it seems that the minister must have clobbered the Prime Minister (Mr. Trudeau) in order to bring his attention to the fact that there is a paragraph in this motion which, in effect, would mean that parliament had to deal with customs amendments or the minister's proposals of April 10 would have been for naught.

Let me point out that in the ways and means motion which gives rise to this particular bill, and which appears in *Hansard* of April 10, it is stated in paragraph 5 at page 4341: