

*Customs Tariff*

parliamentary secretary explain why this is not in conflict with the general agreement with GATT? I believe the parliamentary secretary mentioned a few moments ago that it allowed for decreases, but not increases.

**Mr. Ritchie (York East):** Mr. Chairman, as in the past, clause 6(2) provides authority for the governor in council to restore the pre-1973 rates. Those were the bound rates before the present MTN. On the goods covered by clause 4 and schedule II, if increased imports should cause difficulties for Canadian producers when the new MTN agreements are in effect, this clause will be obsolete; but it is necessary until that time.

**Mr. Peters:** Will the parliamentary secretary explain what "MTN" means?

**Mr. Ritchie (York East):** The "multilateral trade negotiations" which were concluded recently but are not yet enacted into Canadian law.

**Mr. Peters:** I take it that when they are this section will be redundant?

**Mr. Ritchie (York East):** Yes.

Clause agreed to.

Clause 7 agreed to.

On clause 8—

**Mr. Peters:** In clause 8 a number of items will be taken out, including the enumerations of goods and the rates of duty set opposite each item. It reads in part:

... by inserting in the schedule to the said subsection the items, enumerations of goods and rates of duties specified in Schedule IV to this act.

What does all this mean?

**Mr. Ritchie (York East):** Mr. Chairman, this is a technical amendment to the schedule of general preferential tariffs covering fruits and vegetables. It is to take into account the extensive changes in wording and numbering of tariff items. There are no changes in the general preferential rates, duties or in the coverage of items as far as the effect of this clause is concerned. It is a pure technicality, I believe.

Clause agreed to.

Clause 9 agreed to.

● (1630)

On clause 10—*Schedule A amended*

**Mr. Peters:** Mr. Chairman, perhaps the parliamentary secretary could give us an indication of what happens to all these numbers. It refers to "striking out", but does this include the ones we were previously discussing as being amended by schedule IV? Are they replaced by schedule IV?

**Mr. Ritchie (York East):** Mr. Chairman, my understanding is that this clause is the heart of what we have been talking about all along. This clause and schedule V that goes with it

are what set up the continuing structure for all of the items concerned; so everything we have said today in effect bears on this clause, and I think we have covered it fairly extensively.

Clause agreed to.

On clause 11—

**Mr. Peters:** Mr. Chairman, part II, part III and part IV involve trade agreements with other countries. I am curious to know how we make these amendments. Are they negotiated with other countries? Are these signed accords, or how do you go about doing these things? Do these changes appear in some other places except with regard to this tariff structure? These really represent negotiations between countries and, therefore, I presume involve more than just the schedules to which we have been referring. Each of the parts refers to tariff items 104a and 106. Do we negotiate all these changes, or what did we amend?

**Mr. Ritchie (York East):** Mr. Chairman, first of all my understanding is that in all cases concerned we have given notice to the other countries involved. By agreement, any subsequent negotiations on these items will be after the MTN arrangements were made and, therefore, are still to be carried on, but they have acquiesced and have had notice of our taking the actions indicated here.

As to their over-all effect, it might be best if I just went through this summary of the effect. Effective October 24 these clauses amend the acts which implemented our bilateral trade agreements with New Zealand, Australia and South Africa. Under these agreements imports of certain canned fruit and fruit pulp from these countries are entitled to rates of duties lower than those from most favoured nation sources, such as, for instance, from the United States. It was decided, to implement the tariff board recommendations, that the margins of preference on processed fruit products imported from these countries be eliminated and that the higher rates which will apply to most favoured nation sources should also apply to imports from these countries as well. As the lower rates of duty are specified in the New Zealand Trade Agreement, the Australian Trade Agreement and the South African Trade Agreement Acts, it is necessary to strike these items from the acts in order to implement the high rates.

**Mr. Peters:** Mr. Chairman, we are talking about two that were negotiated in 1932 and the one for Australia in 1960. I would like to know whether they originally came under what we refer to as the British preferential tariff and, if so, why we do not change the British preferential tariff. I imagine that in 1932 we were pretty well all colonies or dominions of Britain and, therefore, the same tariff agreement was negotiated as the British preferential tariff. The changes that have taken place since have probably been as a result of changes which occurred in those countries rather than in the agreements. Does this mean we are no longer giving them the British preferential treatment? Is that really what it means, that they are no longer getting the British preferential treatment in terms of tariff?