

Customs Tariff

If asparagus costs 2.5 cents in a favourable period and 10 cents in a non-favourable period from a non-favourable trading partner, does it mean that we are giving less money to the treasury than we did under the previous schedule?

● (1510)

I do not want to relate clause 2 to all the numbers that are in it and ask for an explanation of each one separately, but I do say that when the department brings this before us again it cannot do so in this form. It does not say a damned thing to a member of Parliament who wants to look at it, and it does not say anything to the industry except in respect of those specifics with which that industry is dealing. As far as I know, Bill C-18 does not even indicate whether the Canadian tax structure will enjoy a net gain or suffer a net loss as a result of the passage of Bill C-18. Therefore, I see absolutely no reason why we should be faced with this bill in its present form as members cannot look at it and make a decision.

Certainly when looking at these numbers, as I pointed out before, they are downright confusing. Even if you take them in conjunction with either the annex in the French part or the schedule in the English part, that does not make it much clearer. Most of us would like to know when we are dealing with food products and with seasons which are relatively short—and the length of time that can be selected by the industries is mentioned in the schedule—whether we have corrected the shortcomings in the legislation in the past. We would also like to know whether we have substituted something that will be advantageous in the future.

I do not know whether you can say that the customs and tariff legislation was mainly responsible for our having lost our canning industry, having lost a considerable portion of our hothouse industry, and having lost a considerable portion of our horticultural industry in this country, but it certainly has played a role.

The Deputy Chairman: Order. I regret to inform the hon. member that his time has expired.

Mr. Ritchie (York East): Mr. Chairman, when the hon. member for Timiskaming raised questions about the bill on November 5, and he has reiterated them now, I must say I was and am very sympathetic. I think it is a very difficult bill to appraise in the way it is drawn, but there are some very great obstacles to having it drawn so it would be easier to appraise. There are some things I can say that may help him with the questions he raised.

Part of the problem is that the fruit and vegetable tariff changes recommended by the tariff board were designed to be enacted as a package. They called for extensive changes in product descriptions and in the numbering of tariff items. The previous government, however, decided not to act on it as a package. When that government decided to implement the tariff decreases on March 13, 1979 but delay the increases until October, it was necessary to split up the schedule recommended by the board.

The only way to do this was to draft a new interim schedule for the period March to October, containing elements of both the pre-March 13 schedule and the board schedule. The bill was drafted in such a way that on the effective date of the increases, now October 24, virtually all of this schedule would be replaced by the new tariff nomenclature recommended by the board. Thus, schedule I deals only with the tariff decreases on fruits and vegetables which came into effect on March 13. On October 24 most of the items in that schedule were replaced by schedule V which continues the decreases using different tariff items and nomenclature and provides for the tariff increases as well. It gets very complicated, indeed, Mr. Chairman.

Clause 2, the clause we are now discussing, which is effective from March 13, 1979 to October 23, 1979, provides for technical amendments to section 15 of the Customs Tariff to take account of the renumbering and wording changes contained in schedule I. Simply put, section 15 of the Customs Tariff is the authority for the Minister of National Revenue to apply in-season duties on fresh fruits and vegetables. It must, of course, be read in conjunction with the tariff rate provisions of the tariff items bearing the numbers listed in the section. Some of these tariff items, incidentally, are amended by this bill and others are not.

Effective October 24, the amendments in clause 2 are replaced by those in clause 9 which relate to the new tariff nomenclature and rate structure contained in schedule V to the bill.

This must be more confusing than enlightening up to this point. It might be useful if I were to take the committee through one example of how section 15 works.

The first item in schedule I affected by this provision is 8702-1 which relates to fresh asparagus. The rates that are most relevant in terms of actual trade are those in the column headed "most favoured nation tariff". The in-season duty shown here is 3.5 cents per pound, but not less than 10 per cent ad valorem. By virtue of section 15 of the Customs Tariff, clause 2 of the bill and the clause which appears immediately below the product description, the Minister of National Revenue may order this duty be applied for a maximum of eight weeks in any 12-month period ending March 31. At all other times the free rate must be applied. In exercising his authority under section 15 the Minister of National Revenue is guided by advice from the Canadian horticultural industry and the Minister of Agriculture. The in-season duty can be applied at different times in different regions of Canada to take account of local growing seasons. As of October 24, the tariff item for fresh asparagus is being renumbered to item 8701-1 in schedule V, and the in-season duty will be 5.5 cents per pound, but not less than 15 per cent.

I think there is some information about the over-all effect of these items that the hon. member might find helpful, as he has raised the difficulty of making any comparison with what has existed. I have some average numbers here that may be helpful. For instance, fresh vegetables at the time they are dutiable today bear a tariff of 9.6 per cent on average. The