

calculation of the penalty that applies when a taxpayer has made a false statement on his income tax return.

Customs Tariff Reductions

Temporary tariff reductions on a wide range of goods, initially introduced as an anti-inflationary measure in the 1973 budget and scheduled to expire June 30, 1978, are being extended to June 30, 1979. Exceptions to this extension are canned and frozen asparagus and frozen Brussels sprouts for which the Tariff Board has recommended increased protection, glass tableware which a Canadian manufacturer intends producing in increased quantities if the pre-1973 rate is restored, and surface-active agents or synthetic detergents which are now being imported in such increased quantities as to threaten continued expansion of production in Canada. The temporary rate of 10 per cent on certain canned meats will also expire at the end of June; it will be replaced by a 15 per cent rate, which is more in line with the rates on other meat products and the needs of the industry but still substantially lower than the pre-1973 rates.

Importations of the products on which tariff reductions are being continued were valued at about \$1.5 billion in 1977. The main trade items are raw sugar, motor vehicle parts, cameras and films, vacuum cleaners, pharmaceuticals, chinaware, bottles and hand tools. It is again proposed to have Order in Council authority to withdraw any reduced rates that adversely affect employment or production.

The temporary duty-free provisions covering aircraft and aircraft engines of types or sizes not made in Canada initially established in 1952 and scheduled to expire on June 30, 1978, are to be continued for another year. Free entry is also being proposed for markers used in the aerial spraying or dusting of crops and for catgut used mainly for stringing sports racquets. An existing free-entry provision for fatty alcohols for synthetic detergents is being extended to cover fatty alcohols used to make all kinds of surface-active agents.

A reduction from 20 per cent to 15 per cent is proposed for certain parts for electric light fixtures to help Canadian manufacturers compete with imports.

A few amendments of a more technical nature are being introduced as a consequence of those outlined above or to broaden the coverage of existing duty-free provisions (e.g., for gladiolus corms, and certain periodical publications).

Customs Tariff Increases

It is proposed to withdraw the benefits of the British Preferential Tariff from certain goods imported into Canada from the United Kingdom and Ireland. These goods include confectionery, cranes for mounting on trucks, certain diesel engines, certain apparatus used in community antenna