

*Customs Tariff—Excise Tax Act*

the bill. I will of course be pleased to expand on these remarks if hon. members so wish when the bill is being considered clause by clause.

The first two clauses of the bill deal with the formalities required for the obtaining of authority from Parliament for the continuing in force of Orders in Council which may be made pursuant to sections 4 and 7 of the Customs Tariff, and the proposed amendments are largely for the purpose of clarifying the parliamentary procedures required.

Paragraphs B, D and F of subsection 1 of section 4 of the Customs Tariff provide the Governor in Council with authority to withdraw by Order in Council the benefits of the British preferential tariff, rates more favourable than this tariff, or the Most Favoured Nation tariff from any country. Subsection 1(a) of section 7 authorized the Governor in Council, on the report of the Minister of Finance, to impose a surtax on imported goods that cause or threaten serious injury to Canadian producers of goods that are like or directly competitive with the imported goods. This section came into force on January 1, 1969, in conjunction with the enactment of the new anti-dumping law.

Under the present wording of section 4, an Order in Council made pursuant to it would cease to have any force or effect on a day which is 180 days after its making unless approved by Parliament prior to such date. Under the present wording of section 7, an Order in Council made pursuant to it would cease to have any force or effect on a day which is 180 days after its making or if Parliament is not then in session on the 15th day after the commencement of the next ensuing session unless before that day such an order is approved by Parliament.

The proposed amendments would make clear that for Orders in Council made under sections 4 and 7, the approval by Parliament required for their continuation would be in the form of a resolution adopted by both Houses. Amendments would also provide that orders made under section 4 as well as those made under section 7 would cease to have any force or effect following the 180th day after their making, or if Parliament is not sitting on that day, by the 15th day next thereafter when Parliament is sitting unless before such day the order is approved by Parliament. Such approval is to be given by resolution, as I have just said. Finally, the amendments are to make clear, as I have indicated, that the 15th day in question is to

be one when Parliament is actually sitting rather than simply one when it is only in session. These provisions are the only ones which are substantially different from those proposed in Bill C-212.

Moving on to the third clause of the proposed bill, the third and eleventh clauses should be looked at together. I will simply say about that, that they provide for technical changes arising out of the Anti-Dumping Act which came into effect on January 1 of this year.

Next we come to the provision which brings into effect as of June 4 the final rates which were negotiated in the Kennedy Round. Hon. members will recall that these changes were the subject of a careful study by the House finance committee during a previous session of Parliament and were given further study and approval by Parliament last year.

As the Minister of Finance noted in the budget speech, a number of Kennedy Round reductions had been completely implemented in one step in January, 1968, or January of 1969. Originally the remaining tariff changes were to be staged over four years. This meant that for these items two of the steps, that is to say two-fifths of the reductions, have been made as of January 1, 1969. It is now proposed that the final rates, almost all of which were to come into effect on January 1, 1972, should come into force instead as of June 4, 1969. These remaining reductions amount on the average to around three percentage points. While this acceleration has direct benefits for consumers, the main effects are on producers' costs.

As the Minister of Finance said in his June 3 budget statement, this acceleration of the Kennedy Round reductions is being made as part of the government's anti-inflation program. It is a measure which could be directed in a more selective way to deal with particular problems, as the minister said. I quote his words:

—one of these is the need to increase the element of price competition and efficiency in the domestic economy.

He went on to say:

In considering this situation, we have concluded that a particularly useful and effective way of intensifying competition would be to put into effect immediately the remaining tariff reductions of the Kennedy Round.

"A most important consideration before the government", he said, "in making this proposal is that the burden of adjustment and the