

*Customs Tariff*

trading partners. The major trading partners of Canada include a number of countries, among others, the United States of America with which Canada has approximately 80 per cent of its trade.

When we are putting into place a harmonized system of tariffs for Canada, what is taking place, as the Hon. Parliamentary Secretary has stated, and as the Minister of State for Finance (Mr. Hockin) stated the other day, is at one level a matter of government routine, which is important for trade, important for exporters and importers in Canada, and is a necessary updating. Among other things, it will allow Canada to move to a system which is computerized, and a system which is more efficient and more effective. It will also mean that some of the unfortunate disputes on the amount of trade between the two countries and over trade statistics and so on will come to an end. Both countries, for example the United States and Canada, or Canada and Japan, or Canada and another trading partner, will be dealing with a common description.

The new tariffs which are laid out in the very substantial document under Bill C-87, which has been worked out over some time with close consultation with the industries affected, are more detailed, they are put on to a different base, and they do allow for a better reporting and a better understanding of what Canada's foreign trade is all about. Being a trading nation, that is extremely important to us.

When the Minister of Finance (Mr. Wilson) rose during report stage of this Bill and indicated how unfortunate he thought it was that anyone would even comment at report stage because the Bill was historically important, but then stated that we must have this by January 1, it raised some questions in my mind. I have given some serious thought to those questions since then. On third reading, I think it is important and appropriate perhaps to raise some of those questions with you, Mr. Speaker.

In Bill C-87 there are a number of very important clauses and powers. Those powers include a power to levy a surtax, a power to put import controls, and a power to suspend trading rights which Canada has granted by agreement with other countries. It includes a power to levy surcharges on certain types of imports. Most of all, it includes a power given to the Governor in Council, which I consider to be extremely important. Clause 62 states:

The Governor in Council may, on the recommendation of the Minister of Finance, by order,

- (a) reduce or remove customs duties on goods imported from any country by way of compensation for concessions granted by that country or any other country, subject to such conditions as may be specified in the order; and
- (b) extend the benefit of any order made pursuant to paragraph (a) to any country as may be required by Canada's international obligations, subject to such conditions as may be specified in the order.

*[Translation]*

Mr. Speaker, the first sub-paragraph of Clause 62 is particularly important since it provides that the Governor in

Council, in fact the Cabinet, may, on the recommendation of the Minister of Finance, reduce or remove customs duties on goods imported from any country by way of compensation for concessions granted to Canada by that country or any country.

Mr. Speaker, what we have here is a clause that restates a section that existed in the former Customs Tariff, under which the Governor in Council or Cabinet may, without the approval of Parliament, reduce or eliminate tariffs between Canada and any other country, by way of compensation for concessions from the other country.

Mr. Speaker, as an intelligent man with considerable political experience, you are of course aware that we have at this time a situation that is being handled exactly in the manner described in Clause 62. It's the truth, Mr. Speaker. We have a situation where Parliament is being asked to authorize the Government to approve new tariffs for use by Canada in its trade with United States.

*[English]*

As I am sure you realize, Mr. Speaker, those powers raise some important questions which go to the very heart of the principles of this rededication of the Customs Tariff which is found in Bill C-87. Those principles relate both to Canadian sovereignty and to democracy. It is important that, in the past, Governments of various stripes, both Conservative and Liberal Governments, when reworking the Customs Tariff have always felt that certain trade actions were sufficiently important in Canada that they should be referred to Parliament.

● (1640)

It is curious that those trade actions do not include the power to reduce or eliminate tariffs under Clause 62 of the new Bill. Nonetheless, certain trade actions require reference to Parliament. In fact, surcharges, surtaxes, import controls, and such things cannot be maintained for a period longer than 180 days, or a bit longer if Parliament does not happen to be sitting throughout the period of time. Basically it is about six months, without even having a resolution of approval from Parliament.

I believe that it is a valuable move and that it is important because of the degree to which Customs Tariff is an important instrument of trade policy and therefore an important instrument for a trading nation of industrial and government economic policy.

If we decide to remove \$2 billion worth of tariffs, as apparently the Government is now intending to do, I believe some consequential questions are properly raised which really should come back to Parliament as the body ultimately responsible for control of the purse. As you know, Mr. Speaker, control of the purse is something which is perhaps more an illusion than a reality under a parliamentary system of government and under majority government. The fact is that, as the system goes, the majority tends to control these things. Nonetheless, the unanswered question in respect of the power of the Government to take away or remove substantial