

Customs Tariff

In deciding on the scope and coverage of the duty-free provisions of CARIBCAN, Canada had to balance its foreign policy interests and its responsibility to assist developing countries with certain sensitive sectors in our own economy. Therefore goods in these sectors are excluded from duty-free entry under CARIBCAN.

In spite of these exclusions Hon. Members should note that duty-free access is being extended to all possible imports, including a large number of goods which currently are not manufactured in, or exported to Canada from the Commonwealth Caribbean. When combined with other aspects of CARIBCAN—for example, training seminars for the Trade Commissioners of these countries—there will be an opportunity for Commonwealth Caribbean countries to identify new opportunities in the Canadian market and to increase their export earnings over the medium term.

[Translation]

Mr. Speaker, since the CARIBCAN duty-free provisions stray from the basic GATT principle of non-discriminatory treatment—or the most favoured nation clause—Canada is now seeking an exemption from this GATT commitment so as to be able to follow up on this initiative. There are precedents for this kind of preferential trade agreement, so we are confident that our endeavours will be successful.

[English]

Part of the success of duty-free entry under CARIBCAN will depend on the degree to which Commonwealth Caribbean officials and exporters are aware of its provisions. Therefore, in keeping with the spirit of CARIBCAN, the Canadian International Development Agency has funded training seminars in a series of Commonwealth Caribbean countries which took place in early May.

The Prime Minister gave an undertaking to his Commonwealth Caribbean counterparts that trade would begin to flow under CARIBCAN by mid-1986. Therefore the provisions of Bill C-111 are effective as of June 15, 1986.

I would now like to turn to other provisions of this Bill which make a number of amendments to the Customs Tariff, effective February 27, 1986. I will now outline the most important of these.

[Translation]

And as you know, Mr. Speaker, Hon. Members are aware of the importance this Government attaches to the removal of barriers which hinder disabled citizens.

Consequently, Mr. Speaker, this Bill provides for the duty-free entry of articles specially designed for guide-dogs for the blind. Similarly, to ensure that Canadians of all religious denominations are treated equally, religious ancestral shrines will also enter the country duty free, as was already the case for previously identified religious articles not available from Canadian production sources.

The Customs Tariff is also amended to implement a number of recommendations in Phase II of the Tariff Board's report on tariff items applicable to goods not manufactured in Canada.

● (1520)

[English]

Several other amendments take action on representations received from the private sector for tariff changes which respond to evolving needs. For example, Canadian tourists returning from the United States who are entitled to the annual \$300 duty and tax-free tourist exemption will now be able to ship goods and claim them as part of their exemption. Previously, only Canadian tourists returning from countries beyond the continental limits of North America were entitled to claim shipped goods.

Large sized off-highway tires will be accorded duty-free entry as will backhoes and power shovels used in mining operations, none of which are available from Canadian production. A technical amendment to Section 15 of the Act is being proposed to ensure that the Government can respond quickly to the needs of the agricultural community in the implementation of seasonal rates of duty on imports of fresh fruits and vegetables.

This Bill also contains amendments to provide duty-free entry for certain semi-conductor devices and computer parts. These amendments were proposed as part of an agreement between Canada, the United States and Japan to eliminate tariffs on these goods effective January 20, 1986. As was announced in the House on June 2 by my hon. colleague, the Minister of Finance (Mr. Wilson), amendments will be proposed to delete these provisions and reinstate the previous rates of duties on these goods as part of the measures taken in response to the U.S. tariff action affecting Canadian exports of red cedar shakes and shingles.

Finally, this Bill extends the period of effect of Bill C-38, an Act to amend the Customs Tariff. Bill C-38 came into force on April 3, 1985 as an interim measure to allow customs officials to continue to intercept obscene material and hate propaganda. As Hon. Members are aware, on March 14, 1985 the Federal Court of Appeal ruled the following:

Tariff Item 99201-1 is not a reasonable limitation upon the freedoms guaranteed by Section 2(B) of the Charter (of Rights and Freedoms) and is of no force or effect.

That tariff item had been worded ambiguously, so in response to this ruling and to ensure that the Canadian market would not be flooded with obscene material the Government moved quickly to amend the Customs Tariff to provide more specific definitions of what constitutes obscene material and hate propaganda. This was done by tying these definitions to existing definitions in the Criminal Code. This measure was rapidly and unanimously agreed to by all Parties.

These amendments were to remain in effect until the 1986 summer recess of Parliament since it had been anticipated that new legislation relating to pornography would be developed