Under dental products, the new schedule of tariff items covering materials used by dentists and dental laboratories will result in duty-free entry for a number of materials such as dental cements, pins, posts and screws not made in Canada and unlikely to be made here, and reductions in duties on several other materials, such as dental amalgams and similar filling materials and impression compounds. The consolidation of all these materials in one short schedule will simplify import procedures and related paperwork.

With regard to metrication, many of the provisions of the Customs Tariff are described in imperial units of measure. The authority provided for in the bill to convert these units to the metric system by order in council will enable the government to give priority to introducing the metric system where it is being used by industry sectors, and to leave the existing system in place in those sectors where metrication has not yet taken place.

● (2110)

Although Canadian producers in many sectors, such as sugar and textiles, have completed their conversion process, many others have not. Some of those that have completed conversion have asked that the Customs Tariff be metricated, since they now buy and sell goods almost exclusively in metric units and would like to make all their reports and customs entries in metric units of measure. They are faced with additional record-keeping costs as long as they must deal in two measurement systems.

In order to accommodate these industry groups, the government would like to be able to proceed with the conversion of the relevant sections of the Customs Tariff within the next few months. However, it is premature to convert all sections of the Customs Tariff since a number of industries, such as iron and steel, still deal in old imperial measures or a combination of the two systems and will complete their conversion process at a later date.

The main reason why authority is being sought to metricate the Customs Tariff by order in council is that it will provide some flexibility in dealing with individual industrial sectors and will ensure that consultations can be held with them in order to discuss any concerns. I would point out that proposed section 22(2) will strictly limit the amount of deviation possible from existing rates of duty to ensure that existing levels of tariff protection are maintained for Canadian industry.

With regard to the Canada-New Zealand Trade Agreement, there are a number of purely technical measures in the bill relating to the new Trade and Economic Cooperation Agreement between Canada and New Zealand. The agreement provides for the continuation of existing preferential rates accorded to New Zealand goods under the old Canada-New Zealand Trade Agreement. Bill C-90 brings the Canadian legislation up to date by repealing the 1932 New Zealand Trade Agreement Act and related clauses in the Customs Tariff and by replacing them with new provisions to reflect the cooperation agreement. I would emphasize that these amendments do not involve any change in the tariff rates on goods from New Zealand.

The new agreement does, however, require changes to our legislation with respect to the rules governing the origin of goods imported from New Zealand. The old agreement and the act based on that agreement stated that goods would be deemed to be the produce or manufacture of New Zealand if they complied with the laws, regulations and conditions in force in Canada for the application of the British preferential tariff. The rules of origin under that tariff permit entry at preferential rates of any goods that have been substantially manufactured in one or more of the countries entitled to the tariff. This means that goods manufactured in New Zealand using component parts or materials imported into New Zealand from Britain, Australia or other countries entitled to the benefits of the British preferential tariff qualify for the tariff preferences. Since Canada is phasing out the tariff preferences for Britain and since New Zealand has already terminated the preferences which it previously accorded to Britain, the Canadian and New Zealand governments have agreed that neither country should any longer provide for cumulative origin in the bilateral agreement but, instead, that a system of "single country" origin should be adopted. This part of the agreement, which we intend to implement by means of regulations pursuant to the legislation proposed in Bill C-90, will not come into force until the legislation has been approved.

Honourable senators, the matters contained in Bill C-90 provide a number of improvements in the Customs Tariff. The general preferential tariff measures, for example, provide important benefits to developing countries, particularly those who are among the least developed of the developing countries. At the same time, these have been carefully designed to ensure that they do not have a harmful effect on Canadian production and employment. The measure in the bill which will enable the government to remove customs duties on goods designed for the disabled reflects the government's recognition and willingness to make changes which will provide relief for the disabled.

I should add that there are no changes in the bill before us from the bill studied by the Standing Senate Committee on Banking, Trade and Commerce and, as I said, reported by it under date of May 11, 1982.

I trust that these provisions meet with your approval and that we can deal with the bill expeditiously.

On motion of Senator Phillips, debate adjourned.

PENITENTIARY ACT
PAROLE ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Tuesday, November 9, the debate on the motion of Senator Hastings for the second reading of Bill S-32, to amend the Penitentiary Act and the Parole Act.

Hon. Nathan Nurgitz: Honourable senators, I am sure I speak for all of you when I express to my good friend Senator Hastings our thanks for his excellent presentation and explanation of Bill S-32.