

Customs Tariff

ing its own base in this area than Canada. Let me put it in another context. For years there has been an ongoing argument, a debate might be a better way to put it, about the necessity for Canada to build up its manufacturing sector as it relates to raw materials.

I think you will recall, Mr. Speaker, certainly in the 18 years I have been in politics and probably extending far beyond that, there has hardly been a year when the whole question of the inadequacy of that sector has not been raised in the House of Commons. It is mind-boggling to think that a country with such vast mineral resources would not yet have been able to develop a substantial, not only domestic oriented but internationally oriented, manufacturing sector directly related to that valuable asset. There are very few Members in the House, the Hon. Member for Brampton-Georgetown (Mr. McDermid) being one who would remember the Legislative Assembly of Ontario and the numbers of times the question was raised concerning the need to enhance the manufacturing sector relative to the natural resource potential of Ontario, and I think it fair to say of Canada.

It has been a disappointment that there has not been the kind of emphasis placed on the development of that sector that many of us felt there ought to have been. Even at this late date, I think we had anticipated, as a result of this Government's statements of the election just recently passed, that its intention was to develop an industrial strategy in Canada. This would allow for those smaller operations that currently exist to expand to become world class, and in those areas we did not now have a presence, we would encourage development. We had anticipated that moves to eliminate tariffs in those areas, in particular, might have been delayed. We might have awaited the outcome of whatever Government policy was forthcoming before the Government moved to eliminate the tariff protection. I do not think anyone will disagree that in some fledgling western operations, and the Hon. Member for Bow River (Mr. Taylor) will know this, there is indeed the necessity to provide a certain amount of limited protection for a short period to allow for the growth that is so necessary to take place. My colleague from Bow River, if he has been following this, would certainly applaud that thought.

The interesting thing about this Bill, and I know when the Member studied it he probably came to the same conclusions I did, is that it is most unusual to find ourselves in a situation where the tariff in many areas, not all, is to be eliminated entirely—and I am the first to admit the tariff in place was small—it happens to fall within areas directly related to the resource sector. Whether that resource sector be, as my friend and colleague from Bow River indicated, the agricultural sector, whether in discussions with my colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis) it be in the coal mining sector or in tariff item 41002, 41026 or 42762 which affects mineral resources, and to some extent perhaps even the oil industry, the moves being taken by the Government can do nothing but reduce the possibilities for the development of that industry base within our own country.

I defy anyone in the House of Commons, or for that matter anyone outside, to suggest that the analysis I have put on those tariff reductions is other than factual.

Having said that, it therefore makes it awfully difficult to deal properly with what we are faced. How do we answer the questions from so many of our constituents who ask us how they are supposed to begin the process of developing a small but viable industry or maintaining a small but viable industry if they are to be put in a position of where what little bit of protection they had in the formative stages has been removed? That gets to the nub of the question. My friend from Brampton-Georgetown shakes his head and waves his hand. Unfortunately, the television cameras do not pick it up. The facts are there. Whether my colleague agrees or not, the question of whether we should be dealing with 44100-1 is a separate and identifiably different question. What worries me is that we have lumped in this one Bill to change the customs tariff a whole series of questions that relate not only to the appropriateness of having or not having tariffs for their own sake, but relate to questions of how one develops an industrial base when you are open to the opportunities for a much larger and sophisticated base to overtake you in the process. That is a very serious question I think the Government has failed to answer. It is the kind of question that is being addressed at this very point in time in the United States Congress on other somewhat related though identical issues.

Let me illustrate with an example. Over the course of last weekend I spent probably 14 hours travelling with Congressmen from various parts of the United States discussing problems in the steel industry. Certain truths came home to me as I listened to them describe their dilemma. Without exception, Democrats, Republicans, new Congress people and old, not particularly of one group, not homogeneous in every sense of the word, had one thing in common, the problems confronting them within the steel industry.

Mr. McDermid: In their constituencies.

Mr. Deans: In their constituencies but they represent, and I say to my colleague from Brampton who smiles, 204 Congressmen, if I recall, a substantial block of votes within that Congress. They were talking about the need within their own areas to protect their industry base. While on the one hand, let me say it, they admitted their President was speaking about free trade, on the other hand they were arguing forcibly that that was not in their best interests. I raised this matter to make the point that we are moving to eliminate tariffs or reduce them dramatically in certain vulnerable areas which have not yet reached a scale sufficient to allow them to be competitive in a very tough world market. At the same time the United States, which happens to be the country with which we do most of our trade, is moving to put in place tariff or non-tariff barriers on the sale of our products within its jurisdiction. What is the point in us eliminating the small tariff barriers now in place in those particular areas when the United States is moving with some haste to do the exact opposite in an attempt to protect the modernization of its steel mills? Perhaps