

85 per cent of our supply originates there—the oil companies were making unprecedented profits.

For example, in the first quarter of this year we find that Imperial Oil increased its profit over the same period last year by over 100 per cent. This is a fantastic increase, and an increase based on the \$4 level at Edmonton. Now the price has gone up to \$6.50, and we will be seeing profits that will be difficult to believe made by all these oil corporations over the next few years. This again is part of the industrial strategy that is tied in with this piece of legislation.

There are several amendments to the act, but there is one point I should like to speak on very briefly because it affects a little company in my riding of Kootenay West. This has to do with an article which is imported into Canada. I should like the minister to take this situation into consideration because perhaps there might be a further amendment to the bill currently before us added at the committee stage. We have in Kootenay West a chain-saw manufacturing company which exports 85 per cent of its production to over 20 countries around the world. About 20 per cent of the total production goes to Europe, 10 per cent goes to countries on the Pacific rim, and the balance goes to the United States.

The total amount involved in the export of this product will exceed \$4 million this year, which is a very substantial addition to both the economy and our total export of manufactured goods. Less than 15 per cent of the product content of this factory is of foreign origin. This company has been able to compete successfully with other manufacturers.

There is a problem, however, regarding the importation of certain components used in the manufacture of these chainsaws which I feel is both detrimental and unfair to this particular company. I refer to the type of pistons imported by the company for its chainsaw manufacturing operation. The real problem is that the class and kind categories upon which import duties are based seem to be far too broad in scope. There is some control in the class qualification but it is too broad in scope. Canadian manufacture of pistons is rather limited but because of this they are classified as being subject to duty. I am, of course, referring to the pistons imported by this company.

This chainsaw company recently put out inquiries to nearly 50 potential suppliers in Canada and found that the bulk of the piston production in Canada is captive to either their competitors or to people in unrelated fields. Those firms not captive are not properly equipped to make the product at the volume levels required, as they are either very small operations or oriented toward the replacement component field rather than the original equipment field. The quotations received for the tooling of these pistons ranged from five to ten times that quoted by the non-domestic suppliers, and the unit cost of the product offered runs from three to seven times that now paid to non-domestic suppliers. These price ranges make the product non-competitive in Canada.

The application of protective tariffs to cover Canadian manufacture which does not exist should be closely examined in view of the experience of this company to which I have referred. The final result, so far as this company is concerned, is that it pays a substantial import duty on

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certain components which it cannot obtain in Canada, which thus raised the end cost of the manufactured product which is sold primarily on the export market. Needless to say this makes competition in foreign markets that much more difficult.

I see no reason that the department cannot make changes to either the legislation or the regulations to meet this specific problem. Perhaps a yearly import permit, renewed annually, would suffice and still give protection to any Canadian company which might eventually become involved in this specific component manufacturing field. Until we reach that stage I am of the opinion that an import permit should be allowed this company.

There are other items which also are included in this unfair duty classification field. Examples could be shown of manufacturing equipment on which heavy import duties are levied although no comparable equipment is manufactured here. This is the reason I draw this situation to the attention of the minister and urge perhaps a more thorough overhaul of the act than the few amendments offered in this bill.

● (1610)

In closing, let me say I trust that the minister and the committee will take into consideration the points which I have raised, and I trust that they will be able to come up with some kind of amendment or suggestion which will at least alleviate the problem which this company in Kootenay West is experiencing. I want to say again that I believe the legislation is good, and it is my intention to support it, particularly in view of the restrictions which it will place on the export of raw materials to other countries. I trust that the department responsible will make certain that we will fully protect future Canadian interests so far as the export of our raw materials is concerned.

Mr. Dan Hollands (Pembina): Mr. Speaker, in rising to speak on this bill to amend the Export and Import Permits Act I should like to say that I am concerned about some of the clauses. I think they will certainly have to be studied in much greater detail and explanations will have to be given regarding some of them.

I should like to refer to clause 2, which reads as follows:

(a.1) to restrict, for the purpose of supporting any action taken under the Farm Products Marketing Agencies Act, the importation in any form of a like article to one produced or marketed in Canada the quantities of which are fixed or determined under that act;

According to the explanatory notes, section 5(1) of the act provides:

The Governor in Council may establish a list of goods, to be called an Import Control List, including therein any article the import of which he deems it necessary to control for any of the following purposes,—

Are we to understand from this bill that if there is a shortage of a product in Canada we will be able to control the import of this product into Canada? If we have a product surplus, such as is the case these days with pork, the domestic price of which has been driven down to a level which is almost disastrous for the industry, will that influence the export of this product to Japan? It has been the policy of the province of Alberta to go out into the markets of the world and try to find a buyer for many of