

Mr. Barnett: I have in mind the firm which cancelled its order for manufactured goods which were put out under its own brand name, or house name, as the hon. member put it. I do not know whether this information can be made available by the minister, but since the matter was raised by the hon. member for Edmonton West perhaps there is some onus upon him to tell us exactly who he was talking about. He has mentioned the manufacturer but I would be interested to know the name of the firm which took the action to which the hon. member for Edmonton West has referred.

Mr. Lambert (Edmonton West): The 15-second answer is that there is no name given of the major customer who decided that lawnmowers could be purchased from a source in the United States at a more competitive price than any Canadian manufacturer could offer. But the people who wrote to the minister indicated there were other customers who were considering similar action and making serious inquiries of United States manufacturers.

Mr. Gillies: I have a question for the Minister of Finance. In a statement made in the House the other day the minister said that the appropriate time for him to discuss the impact of all the tariff reductions and the rate of inflation in Canada would be during the consideration of this bill. I wonder whether the minister would now care to reveal the result of the monitoring and the effect of these tariff reductions on price levels in Canada.

Mr. Turner (Ottawa-Carleton): We went into the monitoring process at some length during the discussion of Bill C-194 having to do with sales tax, but I want to make a few points in response to the hon. member's question tonight. The Department of Consumer and Corporate Affairs has been assigned the responsibility for monitoring the impact on prices of the budget excise taxes and tariff measures. I hope that eventually we will have some sort of analysis to present to the House.

I want to make a number of points which relate to the analysis which can be made. First, of course, it will be difficult, as I said earlier on another occasion and on an earlier bill, to isolate the effect of a single factor, either a reduction in tariff or the lowering of a sales tax on the price of any particular product, from other factors which may be at work in the economy of Canada and in other countries.

There are other factors involved. I need hardly mention them to the hon. gentleman, but they include changes in the value of currencies, the effect of the devaluation of the U.S. dollar and, *pari passu*, the Canadian dollar; the worldwide shortages of certain products, and so on. This does not mean that the price impact of the tariff cuts is not real, but merely that it is clouded and that an attempt will have to be made to isolate it.

The second point I should like to make is that when I referred to the tariff reductions in my budget speech of February 19 I did not say they would result in price reductions. I think my words were that they could have a significant effect in dampening the upward pressure on consumer prices. I also said the economic effects must be judged not only by the reduction of charges on imports,

but by the effect of such reductions in moderating prices charged by Canadian producers and distributors.

The third point, Mr. Chairman, is that if one were to judge from the objections which have been received since the budget from a number of Canadian firms who consider that their competitive positions have been adversely affected by the temporary tax cuts, then, although I would not accept all their complaints as valid, I think one has to assume from these complaints that there are pressures on prices in a number of sectors affected by the tariff cuts. This having been said, the remarks I made relating to Bill C-194 affecting sales tax reductions would apply in similar fashion to the monitoring process in connection with the bill dealing with tariff cuts.

Mr. McCain: Mr. Chairman, I just have one quick question. I think the basic economy for consumer, producer and national interest as a whole is best served by a government policy of duty sensitivity in respect to agriculture. What steps does the Minister of Finance propose to take which would make the council of inquiry or committee of inquiry active, alert and quick-moving in cases of emergency when periodic duties are required to halt the importation of unreasonably priced foreign produce into the Canadian consumer market? I wish I could ask this question of the Minister of Agriculture but in his absence I must direct it to the Minister of Finance. It must be sensitive and able to act immediately in emergency circumstances which unreasonably depress certain farm prices.

Mr. Turner (Ottawa-Carleton): Well, there are two mechanisms to meet such circumstances. First, there is the mechanism set up under this bill in contemplation of clause 3(3). If there are adverse effects on employment or production, we already possess a mechanism to deal with this.

Mr. McCain: Too slow.

Mr. Turner (Ottawa-Carleton): On general subjects another mechanism is available to us as these issues arise, usually only a couple of times a year. We can make an immediate reference to the Tariff Board. Whether we use the customs tariff or the excise tax, we try to use the most effective method available to protect the Canadian producer.

Clause agreed to.

Clause 3 agreed to.

Schedules A and B agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read the third time?

Some hon. Members: By leave, now.

Mr. Turner (Ottawa-Carleton) moved that the bill be read the third time and do pass.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.