Before I was brought back to order I was discussing the Kennedy round. I am hopeful that we will have a further opportunity to discuss the Kennedy round, and I agree with the proposal of my friend that this should be done before the banking and commerce committee or a joint committee of the Senate and House of Commons. Here I come back to the suggestion made by the hon. member for Kootenay West, that perhaps this would be a good opportunity to appoint a joint committee which could proceed at a rather more leisurely pace, since the house standing committee itself is rather heavily overburdened with work in the future to tackle the Kennedy round. In addition, I believe that as a result of the negotiations certain industries have already made representations to the government with regard to the Kennedy round, and I think any others who are interested should be able to make their representations to the government on the basis of what they see ahead for them.

• (3:40 p.m.)

A number of our industries are going to be rather hard hit. I think primarily of secondary industry. As an indication of this, Mr. Chairman, I saw a report this morning about a very fine secondary industry based in Letbridge, a city in southern Alberta, which as a result of action by the United States government in the imposition of a tariff is now reported to close its doors. This firm says it has lost over $100,000 since the month of September. It manufactures belts for agricultural equipment. The complexities of the United States tariff machinery and its meshing with the provisions governing the importation into Canada of farm machinery mean that in the supplying of belts for agricultural machines brought into Canada from the United States the Canadian manufacturer of the belts is now paying a duty even though the machines are brought back into Canada duty free. With an imposition of about 17½ per cent duty on these belts the Canadian manufacturer is being shut out of the market.

Here again, Mr. Chairman, I should like to make the strongest representation to the minister that in our dealings with the United States there should be some relaxation in the non-tariff barriers imposed on Canadian trade with the United States. It looks as though the authorities are not so assiduous in the application of these non-tariff barriers because there are all sorts of interpretations in specific cases. We observe these on our side as well, and I hope that we can eliminate this as much as possible.

Before closing my remarks, Mr. Chairman, I should like to ask the minister whether before he concludes today he could give us a list of the references to the Tariff Board that are still outstanding and tell us when he expects reports on them. He might also indicate to us the commodities that he is thinking of referring to the Tariff Board in the immediate future for examination, so as to see what is their position within our tariff structure and whether certain industries should be protected or certain tariffs should be removed.

Let us face it, Mr. Chairman. In the matter of the importation into Canada of certain productive machinery I feel we are doing a disservice to the whole of the Canadian economy by placing a general tariff on these items. In other words, our approach is negative. The approach is that all machinery shall be subject to a 17½ per cent duty with the exception of certain kinds.

I am wondering whether this philosophy is really pertinent today. One thing we in Canada will have to face in the future is an increase in our manufacturing productivity. Lord only knows, vis-à-vis the United States Canada's relative position has worsened in the past several months as a result of a number of factors. As far as we in Canada are concerned, with our heavy reliance upon export trade and the seemingly competitive market within Canada from foreign goods, we are doing ourselves a disservice by imposing tariffs and taxes on production machinery which only serves to increase the cost of production.

One may argue about the various elements that enter into the cost of production. However, there again, if there is good will on the part of organized labour in accepting improvements in methods of production, if management faces up to the challenge to organize itself, to be creative, to really develop and conduct research into the best methods of production, and if government policy does not saddle industry with a crushing burden of taxation, then it might be possible to maintain our position in the economic markets of the world. If not, Mr. Chairman, nothing we in Canada can do will assist us in this regard. We can provide for the most salutary type of welfare programs based on productivity, etc., but if we are unable to sell our commodities and there is a curtailment in economic activity, our productivity will