

*Customs Tariff***GOVERNMENT ORDERS**

[English]

**CUSTOMS TARIFF**

## MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Chrétien that Bill C-48, to amend the Customs Tariff and to amend an act to amend the Customs Tariff, be read the second time and referred to committee of the whole.

**Mr. Bill Kempling (Halton-Wentworth):** Mr. Speaker, I should like to participate in this debate on Bill C-48, to amend the customs tariff. If one were just to read the headlines of newspapers during the last week, one would see the dilemma facing many people in the business world today, particularly those involved in manufacturing. For example, if a person read the *Toronto Star* he would see the headline "350,000 jobs may be lost at world trade talks." There is then a statement made by some labour leaders indicating that six of them are flying to Geneva next week for a meeting with our chief negotiator, Mr. Rodney Grey, in order to discuss what they perceive to be a disaster for manufacturing industries in Canada.

If you read the *Ottawa Citizen* of a day later you will note that the man who arranged for these labour leaders to go to Geneva was Mr. Warren. The article urged Canadians not to fear the GATT Conference. This represents the centre of the problem or the dilemma they are facing. The chief negotiator suggests that we should not be afraid of what is going on at GATT, but the labour leaders are not convinced and find it necessary to send these people to Geneva to talk with our negotiators there and to determine what they can do to present their case.

We had a meeting with Rodney Grey, our chief negotiator. I believe it was the first meeting he has had with parliamentarians since he has been at Geneva. This meeting was arranged by the minister's parliamentary secretary, the hon. member for Stormont-Dundas (Mr. Lumley). We very much appreciate the efforts he made in having Mr. Grey appear at a luncheon meeting with members of the committee of finance of this House.

Mr. Grey did not tell us very much. The meeting reminded me very much of a meeting some members of my party had with Jake Warren a couple of months ago. At our request he met with a few of us. We heard a lot of words but nothing very much that was new. He spoke for about 45 minutes and answered questions for about 15. He gave overly long answers, and then unavoidably departed to attend a very urgent meeting at some other place.

That is an example of the kind of contact we have had about this matter. I can remember standing in this House on numerous occasions asking various ministers of finance—and there has been quite an array of them in the last few years—about what is going on at Geneva. They have all given answers which would lead us to believe that Mr. Grey and his officials who are at Geneva conducting the negotiations will look into

[Mr. Chrétien.]

matters. The ministers have told us they cannot give us details because these things are secret. The government feels the details are secret and they do not wish to give away our trade positions, thus letting the world know what we are doing.

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When Mr. Grey came here we asked him about these negotiations, how he was going about them and what he was doing, and he said: "Really I do not do anything but negotiate and the points are all given to me by the Minister of Finance." This is typical of some of the confusion that goes back and forth. The Minister of Finance (Mr. Chrétien), his people and various ministers have told us that while Mr. Grey and his officials are doing the negotiating they cannot tell us very much. Mr. Grey, however, tells us he takes his instructions from the Minister of Finance.

This confusion is causing a great deal of concern in the business community. Indeed, several people I know in the business community have approached me, as they have various members of my party, and I am sure some members on the government side, and asked us outright what is going on at Geneva. They have been over there and all they get is a press briefing. I talked to the president of a large multinational corporation, and he could not find out what was going on in the Canadian negotiations. He finally decided the best approach would be for him to go to his parent company in the United States and ask them if they could find out from the American negotiators what the Canadian negotiators were doing. This is a ridiculous way of going about it.

When we read stories that agricultural exports would skyrocket but machinery and equipment industries would be a casualty, this has to be of concern to the manufacturing industries. That is the point I want to make here today. It is a terrible game that is being played and it is much like Catch 22. The minister says that Mr. Grey and his people are doing the negotiating and Mr. Grey says that he is only carrying out the instructions of the Department of Finance.

You would have to ask, in the face of that, why these six labour leaders are going over to Geneva. What is the purpose of their going there? Where is the Minister of Labour (Mr. Munro)? He must certainly know what is going on and what the Minister of Finance instructs the negotiator in Geneva to do. Would it not be more logical for the Minister of Labour to arrange a meeting with these labour leaders and somebody in the Department of Finance so as to have their fears allayed? But no, the game is played and Mr. Warren, who tells us not to be worried about what is going on at GATT, arranges for these people to go over to Geneva when it all could have been looked after here in Canada. As is usual, the left hand does not know what the right hand is doing, but that is nothing new.

There is a real crisis in our manufacturing industry, and it stems from the introduction of the DISC program in the United States. Under that legislation, an American corporation taking part in the program has the facility of being able to retain 50 per cent of its earnings on exports tax free at the pleasure of the President. In fact, what the President has done