

Customs Tariff

government to increase trade with the United Kingdom and to divert our imports from the United States to the United Kingdom, psychologically this action must have, and indeed it has, come as a shock to our friends overseas. The reaction in the United Kingdom shows the nature of that shock to be one of surprise and anger.

That is what I mean, Mr. Chairman, when I say that whatever policy we might have adopted if we had been in power, we certainly would not have adopted a policy which is designed to get the worst of both worlds. Because of that consideration, Mr. Chairman, we shall have to vote against this particular resolution.

Mr. Argue: We in the C.C.F., Mr. Chairman, feel that it is a mistake at this time for the Canadian government to move in the direction of higher tariffs, either generally or in relation to British woollens. We believe that at this time in the world's history the expansion of trade is becoming more and more important to the free world, and that everything we do in Canada and in other nations within the free world should be directed not against an increase in trade but rather toward a large expansion of it.

At various times the Prime Minister himself and other prominent men in the western world have referred to the growing Soviet trade offensive. They have said that in their judgment the economic offensive now being launched by the Soviet union and also by China is a greater threat to the western world at this time than the threat of aggression or the use of atomic weapons. If the future of western civilization is going to be tied so closely to our success or failure in bringing about an expansion in trade, surely it is not sensible, logical or in the interests of democratic society that we in Canada at this time should be moving in the direction of trade barriers.

Another reason that this increase is ill timed is the imminence of the commonwealth trade conference. If the government had sincerely felt that this move should be made; if they had felt that there should be a general increase in tariffs against goods from commonwealth countries, surely in the interests of good relations with other commonwealth countries these moves should not have been taken until after the commonwealth conference. From reading the press we know that the reaction in the United Kingdom to this very proposal has been most adverse. We know that prominent industrialists and leaders in the United Kingdom are alarmed at this apparent new trend in Canadian policy. If the government had deliberately set

out to impede and block—yes, even to wreck—the coming commonwealth trade conference and the chance of its being successful, it could have done nothing to bring about this result more certainly than what it is doing now.

In the light of the wishy-washy, weak-kneed report of the tariff board, I do not know why the government acted at all. The tariff board weighed both sides very carefully in considering what should be done. Then apparently one small grain of sand tilted their judgment on the side of recommending these tariff increases. With such a pale and innocuous recommendation, the government acted. All that fact suggests to me is that the government will give extremely rapid and sympathetic consideration whenever there is a suggestion that trade barriers be increased. However, I see little or no indication that the government is prepared to act in the opposite direction and reduce trade barriers.

In the history of this nation the Conservative party has been known as a high tariff party. As soon as the Conservative party obtain the reins of office they use their power to increase tariffs and provide impediments to trade. In the light of the government's many promises with regard to its intention to do everything possible to expand world trade and to expand commonwealth trade, Canadians generally all hoped that the government would be moving in the direction of reducing trade barriers, even in the light of its history; but apparently the forces within the Conservative party who believe that protectionist measures should be increased are in the saddle, and they have moved in this direction. Many Canadians also felt that since the Prime Minister himself as a private member of this house, both inside and outside of this house has for many, many years expressed his support of a reduction in tariffs and the freeing of commonwealth trade, this government would not be acting as it is now acting.

I have said that the report of the tariff board on the woollen industry was on both sides of the matter. It did not seem to take a very strong stand either way, though it did seem to recognize some of the very great difficulties now faced by the industry. On page 43 of the report I find the following statement under the heading, "Social Significance of the Industry":

But—the wool cloth industry is here. It has a social significance which, while it may lack substantial economic grounding, is not something that may be dismissed, even in these spacious times, as of no consequence to the nation. This aspect of the situation is one which, upon humanitarian grounds alone, cannot be written off as plants or equipment can be written off; it is an aspect of an economic problem in respect of which only "high policy"; in the most literal sense of the phrase,