

*Customs Tariff*

Bill C-111 is broken down into three parts. I will leave to another debate the latter part which extends the time limit for dealing with pornography. I would like to spend some time discussing the first two parts of this Bill.

The first part is presumably designed to help trade between Canada and the Caribbean countries. When the Prime Minister was in the Caribbean he made glowing speeches about how Canada would work closely with its Caribbean brothers and sisters to assist them in developing their economies and provide trade opportunities which hitherto did not exist between those countries and Canada. There were all sorts of toasts and glowing comments made and editorials written. It was going to be wonderful. We then saw the introduction of Bill C-111 which gives the impression that Canada is opening up its trade door with the Caribbean countries when in fact it really does not do that. This Bill leaves out some very critical products.

You have travelled extensively, Mr. Speaker, and probably know the Caribbean as well as anyone. Industries in the Caribbean often include textile factories, garment factories, footwear factories and leather products. Not surprisingly, these are all exempt. This Bill says that we are not interested in trade in these particular areas. The products which have been exempted are those which are most extensively produced. By exempting those we are saying that we are not particularly interested.

However, that is not the onerous part of this Bill. Bill C-111 has a value added clause. The Government likes the value added concept and plans to introduce it across Canada in the next few months. It may be renamed "the business transfer tax", but the Government likes the idea of value added. Presumably that is why the Government suggested we would have free trade in items from the Caribbean if there is a 60 per cent value added to the product in the Caribbean country. That is extremely problematic because, of the products manufactured in the Caribbean countries, a great deal often come from offshore and it is very difficult to produce up to a 60 per cent value added.

The European countries have what they call very punitive value added measures which apply to the Caribbean countries. They normally apply approximately 50 per cent. The United States has applied a 35 per cent value added criterion. While presumably trying to assist the people in these countries, Canada has added 60 per cent which will prohibit a great number of commodities from being imported into Canada.

It is very clear that this Bill was hastily, and perhaps even thoughtlessly, designed. My friend, the Member for Essex—Windsor (Mr. Langdon) suggested in the legislative committee that we ask some representatives from the Caribbean countries how they feel about this part of Bill C-111. Members of the government Party said there was no time for that. We, therefore, made a few phone calls. We spoke to people in the embassies. The Jamaican people indicated that this would not help them much at all. They were not certain it would provide any assistance. They were quite disappointed because they,

along with a number of other countries in the Caribbean, had made special requests, particularly with regard to allowing the exportation of various alcohols to Canada. There has been no action taken on this. When one thinks of the Caribbean one often thinks of the rum which is made there from local materials.

Another item of major import importance is cigars. However, we have increased excise taxes on cigars to negate any advantage that a tariff relief would give to these particular commodities. The representatives of the Caribbean countries are voicing disappointment that this is the result of the great initiative of the federal Government of Canada.

Small and medium-sized Canadian businesses in the computer chip and computer parts industries were just getting nicely off the ground. We were beginning to trade very effectively as a result of an agreement signed earlier this year with Japan and the United States which allowed the free interchange of computer chips and parts. That was welcomed by the industry. It was proclaimed as a major step forward which would provide a whole range of new market opportunities for our fledgling Canadian businesses in these areas. However, Bill C-111 is now going to turn this initiative around by increasing duties on computer chips and parts. Why would we totally reverse ourselves in a matter of weeks? The reason is that the Government has decided it will get the United States, that it will show the United States how tough we are by closing down a number of our businesses. That is not the approach many of us expected from the Government.

The Government was caught up by the tariff on shakes and shingles levied by the United States. From the record it is very clear that while the pressures were mounting in the United States to launch a petition against the shakes and shingles industry our Government did nothing. Day after day in the House of Commons a number of people raised the matter and asked the Government what it was doing. The Members opposite simply said that they had faith that President Reagan would not do this nasty thing to our shakes and shingles industry. I remember the Member for Mission—Port Moody (Mr. St. Germain) in particular saying that. It was incredulous that he would have faith that the President of the United States would look out for our shakes and shingles industry. Apparently the Government did, because when the tariff was imposed the Prime Minister was caught totally off guard. He wrote a little letter of outrage, after the fact.

The Government wondered how it could retaliate against the Americans. It decided to break the agreement with the United States which allowed for duty-free importation between our countries of computer chips and parts. The effect of this is very clear.

The committee heard witnesses on this issue. One was Mr. Gordon Gow of the Canadian Advanced Technology Association who is also the President of Gandalf Systems Group. He said quite bluntly that he did not see how Bill C-111 does us any good. He went on to say that it is entirely a lose, lose, lose situation. The Government loses, the consumer loses, and the