

*Supply—Finance*

The minister did mention the fact that Bill No. C-193 was voted upon adversely. I am not sure that this is the exact description I should use. I should say that the bill was defeated, and this is one thing we must remember. In our opinion the defeat constituted a lack of confidence in the government.

The minister mentioned also that there had been an upswing in business which had lasted, he said, for seven years. This would take it back to 1961. We do not want to take all the credit for it but we feel we should at least take credit for sowing the seed.

• (5:30 p.m.)

The minister said that we enjoyed a period of great expansion from 1961 to 1966. Things seem to be changed somewhat in the mind of the Minister of Finance because he also said he was going to take action and we would have a resolution on the order paper tomorrow, the purpose of which would be to bring revenues somewhat into line with expenditures. I was hoping that perhaps he might have reversed the order and said he was going to bring expenditures somewhat into line with revenues. At this time I cannot see why more taxes should be imposed. I feel that at the moment the minister should be considering very serious cut-backs in general expenditures. The minister also mentioned that the government was going to take some action to resist inflation by way of restraints on prices and wages. I am wondering what this will mean. Will it mean he is going to introduce something that will constitute price and wage controls? If he should, what effect is this going to have on labour bargaining units?

I ask these questions as a former card-carrying member of a union. I believe these are some of the things we should consider and consider very seriously. Many economists are exhibiting grave concern about our economic future. I feel that everybody in this house should be seriously concerned about things at the present time. I had the privilege of attending the meetings of the committee on finance, trade and economic affairs during the time we were supposed to have a recess. I should like to pay tribute to the executive of that committee. I am sure they were very dedicated people. The committee has just completed series of meetings on the Kennedy round of tariff agreements. I am wondering whether it was not a complete exercise in futility. These agreements had already been made. They were what you might call

multilateral agreements and were being presented to the house for ratification. The only purpose I could see for these meetings was to acquaint the members of the committee and the public with some of the details of the agreements. It is my sincere hope that these agreements will have some beneficial effect for Canada. However, there are some areas about which I am doubtful and which will have a great bearing on our economic well-being.

The first one is what I would call the front-end loading feature of these agreements, the second is the anti-dumping feature and the third is the lack of tariff barriers. In so far as front-end loading is concerned, I make reference to the fact that many of these tariff reductions are to be phased in over a period of five years in five different steps. It is my feeling that a 7.5 per cent drop in the first phase may have a very detrimental effect on the economic well-being of Canada. The result could be a fantastic shock to many of our Canadian industries. I believe that for our own protection the reduction should have been more gradual.

I suppose we will have legislation in connection with the dumping feature. As I understand it, a foreign firm is allowed one free dumping. The end of a run for a United States firm or a Japanese firm, amounting to perhaps 3 per cent of their production, could equal about 30 per cent of the complete production of a Canadian manufacturing firm. Therefore this is a very serious matter. By the time the investigation is completed the merchandise which has been brought in may very well all be sold and some of our own manufacturers forced out of business.

First of all, the manufacturer who has been injured must lodge a protest. He must prove injury to himself and to the entire industry. What is the definition of the word "injury"? It can be summed up in many different ways. Some manufacturers may believe that keen competition results in injury to them. I think these things must be spelled out. Months could be spent going through the red tape and by then, of course, the damage would be done. The manufacturer could be forced out of business. Another facet which we must remember is that merchandise which has been in Canada for 90 days is exempt from any action. I hope that we will have new anti-dumping legislation before the house before too long and that we will all get together in a spirit of co-operation to work out something that will be for the general good of this country.