

the provinces will be held before a final negotiating position is taken by Canada at these GATT negotiations. So, it is open for the Canadian Cattlemen's Association and other representatives in our economic community to approach the negotiating committee, which was announced by my colleague, the Minister of Industry, Trade and Commerce.

In terms of a time schedule, I would say that there is plenty of time available. My colleague, the Minister of Industry, Trade and Commerce, has already made this clear in a public statement, and I am glad to confirm that again before this committee.

Mr. Hargrave: Mr. Chairman, the minister has talked about what may happen in 1977. Would the minister be prepared, perhaps jointly in co-operation with any other group, to look at the representations of the Canadian Cattlemen's Association and make a detailed study of any competitive advantage or otherwise that may arise from these proposals? I think the cattle industry would be prepared to co-operate on this. Actually, I think we would need the co-operation of the minister's department in the carrying out of such study.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I can give that undertaking. We are willing to look at that and we have to know what our negotiating position ought to be. The hon. gentleman has that undertaking.

Mr. Gillies: Mr. Chairman, if I may move from the sublime to something more detailed, could the minister explain the reasoning behind the reductions under tariff items 42505-1, 42520-1 and 42525-1, which have to do with lawn mowers? Representations about this have been made by the lawn mower industry, which is a very active industry in Canada. The industry serves the Canadian market. Now there is a good deal of competition because of these tariff reductions. What was the reasoning behind these reductions?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, what I said respecting appliances applies here. A good deal of opposition no doubt came from the manufacturers of lawn mowers. On the other hand, the duty on parts was taken off, so that some lawn mower manufacturers could be even more competitive because of the duty reduction on the parts going into their main products.

Mr. Lambert (Edmonton West): With all due respect to the minister, may I point out that this is not merely a matter of machinery or one involving parts. I think the officials of the department ought to have consulted with the industry, as I suggested when I spoke on second reading. We know, and the minister obviously knows, that one of Canada's leading manufacturers of this type of commodity planned to double production facilities in the Toronto area. As soon as the budget came down, not only did plans for expansion of production facilities go into a total deep freeze but, as a result of the minister's proposal, the company in question lost one of its major retail outlets. The competition in this area is very, very close.

That Canadian manufacturer who lost one of his major accounts manufactured machines not only under his own name but under other household names for major depart-

Customs Tariff (No. 2)

mental store distribution. What is not often known at the official level is how actual commercial arrangements operate. This company lost a major account to the United States. It did not go to Europe; it went to the United States, to a manufacturer who was able, because of a minor differential created, to produce the product on a limited basis, even though it might only be saleable for one year. Not only has the company in this country abandoned its plans to expand production—and, may I say, part of the thrust behind the minister's budget was to provide a stimulus to the economy—but it will have to cut back production facilities and lay off some staff.

What is the purpose of the exercise? The minister said that the three-fold thrust of the budget was for the expansion of the Canadian economy. What is the minister hoping to achieve if, as a result of these custom tariff proposals, Canadian firms have to cut back their production? The product was not obsolescent. This was not a case of someone just marking time or spinning his wheels. We are talking about a principal manufacturer in this particular field who has cut production as a result of work carried out in an ivory tower. There was no consultation. Oh, I know the minister's officials very well. Frankly, in some ways, the minister is in an ivory tower. Members on my side of the House may also be in an ivory tower. But I say that the minister's officials are in a tower that is twice as high as ours.

I say this with all due personal respect to the people involved. You know, they should get down among the people and mow lawns. In this case one of Canada's major lawn equipment manufacturers has simply said, "All right, if that is what you do to me, okay; I have scrapped my plan to double capacity and I am cutting back." Mr. Minister—I say this through you, of course, Mr. Chairman—the ball is over in your court.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I do not know whether the officials are in an ivory tower; certainly they are here tonight on the floor of the House. It is a little hard to develop a consultative process on items prior to a budget.

Mr. Lambert (Edmonton West): It has been done before.

Mr. Turner (Ottawa-Carleton): Perhaps we can develop such a process in the Standing Committee on Finance, Trade and Economic Affairs for all sorts of budgetary items. This is something we can consider. At the moment, the budget is brought down on a day fixed without prior notice. The consultation really has to be on the general understanding that the minister and his officials can get relating to the state of the country at that time.

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On the day the budget was brought down, we set up a consultative process to see whether these items would (a) achieve the purposes they were set out to achieve, and (b), do so without adversely affecting production.

I do not know the situation to which the hon. member is referring. If the industry had been placed in jeopardy on February 19, I would have thought they would have come to see us. Certainly if they had asked the hon. member to