

### *Customs Tariff*

many of our coal mines to get started again. We have a tremendous amount of coal and very little of it is being mined today.

I do not understand what the Hon. Member means when he says, "Let's keep what we have". Let us change and make things fair and sensible is what I say.

**Mr. Hovdebo:** Mr. Speaker, I too can quote a litany of cases where the process under which customs charges have been put into place and administrated has been unfair. I recognize that. I think the Hon. Member for Bow River (Mr. Taylor) really underlines the point that I was trying to make, that in many cases I wish we did not have customs duties. We could get things cheaper for the whole agricultural industry. If we look at this on the basis of national interest, making things available cheaper right now might sound like a good thing.

The direction we are going is based on rules put in place 15 years ago when we started the GATT negotiations. We established the direction in which we were going, and we continued in that direction because free trade was a basis of the GATT negotiations. However, if we change the ground rules, we become the same to the rest of the world as the United States. We eliminate the possibility of trading with other countries and perhaps we will have to go in another direction in order to start protecting what we have. Although our direction before seemed acceptable, it is not necessarily acceptable under new rules if we start a free trade direction in the future. Let us not eliminate the structure which is in place that allows Customs duties to be charged on certain items. We must not eliminate that, because tomorrow we may be going in the other direction. The United States has demanded a level playing field in its free trade negotiations because it has protections in place which it may not want to give away.

● (1540)

**Mr. Angus:** Mr. Speaker, I have a question for the Hon. Member. During his remarks he made reference to the possible impact of the level playing field concept on the Canadian Wheat Board. As someone from Thunder Bay, a major port on the St. Lawrence Seaway, I was wondering whether he could expand his arguments and indicate what dangers he would foresee for Thunder Bay and therefore the movement of grain in a level playing field concept?

**Mr. Hovdebo:** Mr. Speaker, my concern is that Canadian farmers do not have the same kinds of subsidies as American farmers. Therefore they do not have the same ability to sell their grain as their counterparts in that country. We feel that both farmers should be on the same level in the playing field concept.

Farmers in the United States would love to have the Canadian Wheat Board or some similar organization through which to sell their grain. If farmers in the United States sell their grain after harvest, they might receive \$2.50, whereas if there is a shortage six months later, it might be as high as \$8. In Canada that is levelled out and every farmer receives \$4.50 or something in the middle. Farmers go broke in the U.S.

because they sold at the wrong time. This does not happen in Canada. If that protection does not remain, we will return to the system of handling grain where the longer one holds on to it, the better price one receives. If farmers were doing well in that case, Thunder Bay would receive much more grain than it could handle at the end of the season, but at the beginning of the season there would be none. That was one of the problems which led to the establishment of the Canadian Wheat Board and it led to the granaries of farmers being full when Thunder Bay was empty. Those are the types of things which might be affected by the level playing field concept.

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I am pleased to participate in this debate. A number of issues were raised by the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) when he launched the amendments to the Customs Tariff Act. In his comments he pointed to the need for certain Government measures to protect, for example, Canadian domestic automobile markets from the rising tide of protectionism. Obviously this begs a question as to what our country will do on the issue of free trade.

As the Hon. Member for Hamilton East, I happen to represent the most industrialized riding in Canada. I should like to shed some light on Canadian experiences with respect to the so-called free trade by referring to the steel industry. In a Government document which was exposed in the House last Friday, the Prime Minister's Office suggested that somehow I, as Hon. Member for Hamilton East, could not fight any kind of free trade initiative simply because it would be embarrassing to me from the point of view of my constituency.

In fact, the Government suggested that other Hon. Members and myself should be exploited because of our particular industrialized constituencies. I tell the Prime Minister (Mr. Mulroney) and his Government that as the Hon. Member for Hamilton East, the most industrialized riding of Canada, I have no hesitation in telling them to proceed cautiously. I have seen to what the so-called free trade agreement with the United States in the steel industry led. By all accounts, Canadian steel makers are fair and free trading partners with the United States. They had to spend \$1 million in 1984 specifically to protect their interest in respect of the rising tide of U.S. protectionism when it came to the importation of Canadian steel. What was the result of that expenditure of \$1 million? When the Prime Minister came back from the Shamrock Summit—and I think for the first time he put "sham" back into the word "shamrock"—he was gloating. He told Canadians that we had a new relationship with the United States, that the President and he were buddy-buddy. The President does not know it, nor do the major monetary partners. In any case, the Prime Minister of Canada was to get the message across that we are fair and free trading partners in steel.

However, the record in the first seven months of 1985 has shown that the bended-knee approach of the Prime Minister in negotiations with the President of the United States is simply not working. If we examine one specific sector, that is the steel sector, we see quite clearly that in the first seven months of