

*Duties Relief Act*

little can happen in terms of creating an attractive environment for those who would take advantage of the benefits of these special enterprise zones. The provincial Government of British Columbia really needs the co-operation of the federal Government. It has now received that co-operation, to a point, through this process of consolidation.

The reason we are very concerned about what is going on in the Province of British Columbia and its commitment to special or free enterprise zones relates to what these zones will in fact do. A definition of a free or special enterprise zone is an area where closed shops and other restrictive practices of unions are prohibited, contributions by employers and workers to the Unemployment Insurance and Canada Pension Plan Programs are voluntary, minimum wage legislation is inapplicable, other regulations and controls are minimal and there are no local taxes. In other words, it would be the creation of an area in British Columbia that would ideally be a wage and regulatory-free zone where the most exploitive practices can be incorporated by industrialists, and I suppose that is the very bottom side of the capitalist system. That is what the Government of British Columbia wishes to do in certain areas, areas that are now in the process of being identified.

Our concern is that this particular Bill is a move to support, in a sense, that kind of activity that is taking place at the initiative of the provincial Government. However, that does not mean we will vote against this Bill or prolong it in the House. I suppose as long as the Government is prepared to use rather unscrupulous tactics, it can use any legislation to that end. I do not believe at all that that is the motive behind Bill C-98.

Just to summarize our position, the New Democratic Party certainly supports this duties relief Act. It is long overdue and has been in the process for many years, while the Government has brought together all of the various programs that provide some relief for exporters. However, there is one concern that needs to be put on the record, and that is that now that we are entering free trade talks, the point of which is to develop a level playing field on both sides of the border, there would be quite a dramatic impact on Bill C-98 if free trade were to become a reality. Many of the provisions of the Bill would be seen as being indirect subsidies to particular kinds of export enterprises. If free trade becomes a reality, the provisions of this legislation will become less significant.

● (1230)

This conclusion was provided by one of the studies of the Nielsen task force, specifically the one on management of government. On page 438 it was identified that these kinds of provisions would be put into some jeopardy if free trade arrangements in these areas were arranged with the United States.

I also want to flag another concern, which I encourage the Government to consider in subsequent legislation. According to a private consultant's study on free trade zones, prepared by Ports Canada, the various remission orders and drawbacks,

which are referred to in Bill C-98, appear best designed to meet the requirements of larger established companies, especially those with a stable product line and a stable trading pattern. This finding was also supported by the Nielsen task force review which, in the management of government study, found that "large corporations tend to lobby more and receive special treatment on concessions more so than small business".

If we look back to 1983, we find that approximately 15,000 applications for duty remissions were received by the Government in that year, and that 85 per cent of those were approved, with the annual remissions totalling approximately \$350 million. I do not think it would come as a surprise to anyone that larger corporations or larger experienced businesses would know the system or would be able to hire the necessary people to check out various remission orders and duty remission possibilities and make the appropriate submissions to government, whereas the smaller business or enterprise, the fledgling business, would have less opportunity in those particular areas.

In a sense, without intending to be so, Bill C-98 actually has a bias in favour of the large corporate sector once again. One would say that it is at the expense of the small businesses starting out in these manufacturing enterprises.

If we look at it in terms of regional realities in Canada, we see that Bill C-98 favours, in a sense, certain kinds of enterprises. The fact that it favours large corporate enterprises could mean that it favours central Canada as opposed to the regions or hinterland of Canada where smaller enterprises are getting into place today to play their rightful role in the international market-place. Without making a big deal of it, Bill C-98 has some discriminatory elements in it when it comes to the regional realities of Canada.

However, one has to say that it is long overdue. We have waited many years for this consolidation to occur. Certainly we are pleased that it is before us and will hopefully pass today.

**Mr. Gurbin:** Mr. Speaker, I should like to make a brief comment, not in any effort to engage in debate or take particular issue. I think the Hon. Member would note that certainly there was no motivation behind the Bill. Whatever are the merits or demerits of free trade zones, or whatever any provincial Government may have, as I think he admitted, there was no motivation behind Bill C-98 to effect those areas one way or another. If there is any trade relationship change between Canada and any other country, there could be potential impact in so far as any of the specifics of Bill C-98 are concerned. That speaks neither to the positive nor to the negative; the Bill was simply an amalgamation which it is hoped will improve the climate and opportunities for smaller businesses. Perhaps only larger businesses have access to the resources and expert advice necessary to work their way through the wrangle of information to take advantage of the opportunities as they now exist.

**Mr. Riis:** Mr. Speaker, I appreciate the interjection of my hon. friend. I agree with him 100 per cent in terms of his