

Order Paper Questions

[English]

Mr. Lewis: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[English]

CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed from Wednesday, June 25, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-111, an Act to amend the Customs Tariff and to amend an Act to amend the Customs Tariff, be read the third time and passed.

Mr. David Berger (Laurier): Mr. Speaker, last evening I began my comments on Bill C-111 by saying that the Government reacted to the American tariff on shakes and shingles by imposing a tariff on books and on computer parts such as semiconductors and chips. The Government picked up the gun but forgot to aim. As a result, we shot ourselves in the foot; the Government shot Canadians in the foot.

I should like to refer to the thrust of the comments of industry representatives who spoke at the time the retaliatory tariff was announced. They appeared before the legislative committee, and in essence the thrust of their comments was: "Protect us from ourselves". A few more shots like this in the foot, and the whole country will be limping much more seriously than it is at present.

I think it is important to make some thorough comments at third reading stage of the Bill. Very little attention was paid to it as it went through the various stages in the House. At second reading, the Parliamentary Secretary to the Minister of Finance (Mr. Vincent) devoted two whole sentences to the tariff. He offered no justification or explanation. No one spoke in favour of the tariff in committee, not a single person. Of course it was an expedited committee hearing. I have had an opportunity to look at yesterday's edition of *Hansard*, and not one Member spoke in favour of this tariff. In fact, not even one member of the Conservative Party intervened in the debate.

The average Canadian assumes that Parliament is here to serve Canadians. The average Canadian assumes that when the Government introduces a measure in the House and when Parliament acts, it is designed to help Canadians and the Canadian economy. The average Canadian assumes that it is designed to provide jobs or some tangible benefit for Canadians. However, it should be clearly understood by all Members of the House and by all Canadians that the tariff on books and on computer parts such as computer chips will hurt Canadians.

It will hurt Canadian consumers, Canadian workers, Canadian companies, and the Canadian Government. It does not achieve any recognizable objective.

The Government is imposing a tariff on computer chips and other parts as part of a so-called retaliation to the American tariff on cedar shakes and shingles. One might think that this will help manufacturers or companies. One might think that if a tariff is imposed on imported computer parts and chips, it will allow domestic manufacturers to be more competitive and it will increase the sales of Canadian firms. That is not true, because we do not manufacture any substantial quantity here in Canada.

Mr. Gordon Gow of the Canadian Advanced Technology Association appeared before the legislative committee on Bill C-111. He indicated that up to 80 per cent of the manufacturing parts and components used by the Canadian industry come into Canada from foreign sources. All the Bill does is increase costs to Canadian manufacturers. In reply to a question by a member of the committee who asked whether the Bill would diminish the competitiveness of Canadian manufacturers outside Canada, Mr. Gow replied: "Absolutely". He was asked again whether he believed that the tariff would stimulate the development of an industry here in Canada which would build these products, and he answered as follows:

No, I think if anything it will stimulate the extraction of some of these businesses to other locations to do the manufacturing.

It will lead to an exodus of manufacturing from Canada. Manufacturing which could be done here will be done in other countries because costs to Canadian manufacturers are being increased. This tariff will raise costs to Canadian manufacturers who have no choice but to pass them on to consumers. It will also affect the competitiveness of Canadian companies. If they are required to raise their prices in order to pay the tariff, their prices will be less competitive *vis-à-vis* their competitors. It will hurt sales. It will hurt jobs. We even heard some indication that it might lead to the loss of some companies, to the closing of some companies.

It bears repeating what Mr. Gow said before the committee. He said:

I do not see how this Bill C-111 does us any good. It is entirely a lose, lose, lose situation.

What I mean is that the government loses, the Canadian consumer loses, and the industry loses. The government loses on the basis that I do not believe it meets the objectives of the bill, the industry loses because it keeps us from being competitive, and the Canadian consumers lose because they now have increased costs.

● (1130)

It is quite remarkable that when this so-called retaliation was announced by the Government I got a call from a reporter for *The Washington Post*. It is not often that a Member of the Canadian Parliament gets a call from a member of *The Washington Post*. This journalist, who is based in Toronto, asked me what the explanation was for this Bill. He could not believe it, nor could he understand it. I tried as best as I could to explain the Government's rationale. I could hear the guy