

Export and Import Permits

not move; Canadian exporters picked up that market, to the detriment of the housing industry of this country and to the detriment of home buyers. How can the government justify this lack of action and remain credible? How can it ask parliament to give this act permanent statute status, with no review by parliament? Is it any wonder we have lost confidence in the government? The Canadian people are fast losing confidence in it.

I should like the minister to explain how, by exporting a product in semi-finished or partly processed condition, this can have any effect on the price paid for the product on the world market. It does not make sense. My instinct tells me the potential customer will shift his purchasing to where he can buy that product at the price he wants to pay and in the state of manufacture he wants for processing in his country.

On the import side, the government, with this bill, is moving into supply legislation by limiting the importation of any article which, under the Farm Products Marketing Agencies Act, is limited in respect of production or marketing in Canada.

Subsection 5(1) of the act being debated reads in part:

The Governor in Council may establish a list of goods, to be called an Import Control List, including therein any article the import of which he deems it necessary to control for any of the following purposes . . .

I have serious reservations about this. I know that we face many serious supply problems, but why are we moving into this field? It is evident that the government made grave errors in certain farm production policies it brought forward. On the one hand, the government is playing the consumer against the producer; on the other, it is playing the producer against the consumer and using the threat of imports against the producer. In the process it may wreck an industry.

We talked recently to people in the cheese industry, who told us that Ontario used to produce and export 100 million pounds of cheddar cheese. That production has almost been lost because of the disastrous industrial milk policies sponsored by the government. It is plainly evident to anyone that the fiscal and monetary policies of the government are just not working. It is also evident that the selective controls used by this government are not adequate. This whole business, it seems to me, is like a machine which is running out of control. You pull a lever here, but it is still running a little rough; you push a knob there, but it is still running a little rough; you put a control on here, add a product to a list, use a regulation or order in council, and keep it out of parliament so that it cannot be criticized or questioned. I do not think this is any way to go about it.

I wonder how these controls will affect our export trade? Let us look at some of the markets with which we trade. I see that on our trade with African nations in 1972 we incurred a trade deficit of \$58,509,000. In 1973 that deficit had more than doubled to \$135,550,000. How will this legislation affect products traded with the African nations? How are we to better our deficit position, or will it be worse? For example, look at our trade with South Africa. In 1972 our trade deficit with South Africa was \$15,147,000. In 1973 it almost doubled to \$27,597,000. How will this legislation affect products which are traded back

[Mr. Kempling.]

and forth? Some of them certainly fall within the scope of this bill. Will that situation change?

Our trade deficit with Middle East nations in 1972 was almost \$129 million. In 1973 the deficit had risen to \$182 million. So we go. We will see the same pattern emerging from our trade with Pacific rim nations, Scandinavian nations, and so on down the line. We all see our trade deficits increasing. Our trade deficit with the Scandinavian countries of \$42 million in 1972 rose to \$59 million in 1973. Our trade deficit with Pacific rim countries of \$58 million in 1972 has moved up to \$65 million.

The most telling figures concern South American countries with which we do a good deal of trade. In 1973 we imported from South American countries \$751 million worth of products. We exported only \$379 million worth, leaving a trade deficit of \$371,731,000, more than double that of the previous year. So when we talk about export and import controls, we should look at our total trading picture and see what is happening. No doubt this bill will be referred to committee, where I am sure we will take a serious look at it and have some serious talks with the minister and his officials to find out what they expect to achieve with this bill.

● (2120)

I am somewhat disappointed about the way in which this legislation has been brought forward. It seems the government follows a pattern in its legislation of mixing good things and bad things together. They include in a bill a provision which is not too palatable and then offset it by a provision which may be more acceptable. They play one aspect against the other. I guess this is called politics, but I do not think it is good legislation.

When the bill goes to committee members on this side will ask some searching questions as to where it is leading us. We shall want to know what plans the minister has in store for the processing industries, whether parallel legislation will be brought down to help establish processing plants, and so on. Where they will be established is another question again. Certainly, if we propose to urge industry to carry out more processing in Canada we shall need to ensure that the necessary financial arrangements can be made, that the economy of the country can stand it, that the transportation facilities are such that they can handle the situation, get the products to the market or to the ports in good condition at the lowest possible price, so that there may be a chance to compete with similar products manufactured elsewhere in the world.

We must also consider where this bill will lead us as far as GATT negotiations are concerned. I am a little worried about this aspect. Among the people negotiating on the government side at GATT I see no one who has ever been prominent in business. Most of the Canadian representatives have spent the greater part of their lives in the Civil Service. I know of no one who can claim any great industrial background. I wonder what the other delegates will say when they look at these provisions, for this is really another type of tariff and it may be placing an added burden on our representatives at a time when international trade is so vital to Canada.