

who might even belong to the same party suggests that the Pacific countries are equally important and that it is as pressing to send a trade mission over there.

This reminds me of the comments which we have heard this afternoon about the Prime Minister's visit to Cuba. I am always slightly disappointed when I hear the opposition criticize our Prime Minister (Mr. Trudeau) for his visit to Cuba, a country which has started its own industrialization. That country needs the capital, the technical aid and the North American technology which are necessary to its development.

In consequence, I think Canadian businessmen will be the first to benefit from this visit if they really want to export and exploit a market open to them.

But I think there is more to it than the simple commercial aspect of the question. For if Canada is to really stand up to its reputation of a country free from any prejudice, and respectful of the political systems of other countries, without necessarily subscribing to them, this was all the more reason to take the opportunity to do it, although it is something we intend to forget when we consider the benefits of this visit to Cuba.

I would like to continue in the light of the benefits that we reaped from visits or exchanges. The Minister of Industry, Trade and Commerce (Mr. Jamieson) is now leading a Canadian delegation of several Canadian businessmen who will visit five very important countries with export potential. They will be visiting the South-East Asian countries, precisely to go and study with them to determine what is the potential for Canadian businessmen, industrialists, to go and tap that potential. In fact, in 1974, Canada exported for about \$194 million worth to those five countries which are Malasia, Indonesia, Singapore, Thailand and the Philippines. That amount of \$194 million of goods and services within those countries represented only 1 per cent of their total imports. Furthermore, if one considers Canadian imports from those countries, they reached \$140 million, or 1 per cent of our total imports. That is one of the reasons—very important in my opinion—for those business tours to exchange ideas and techniques between Canada and those countries.

I would like now to assure hon. members that the department acquired an excellent knowledge of the Canadian industry. It compiled information on each industrial sector. In fact, if we want to open foreign market we must first know the technical potential of Canada. With that basic information and continuing to steer the export market we draft our policy for setting up an industrial strategy in the Department of Industry, Trade and Commerce.

And I would like deal with to a few aspects of that industrial strategy policy in the area of footwear, for example, to follow up on the question asked this afternoon by a member of the opposition. With respect to footwear an industrial strategy was announced by the department on November 20, 1975, following the preparation of a report that was tabled in the House on December 21, 1973, and the government following a study of various markets took position. Here are a few examples: leather shoes were exempted from the general preferential tariff; on four occasions, the Department of National Revenue realized that shoes from certain countries were underpriced and

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consequently it applied the appropriate correctives precisely to protect the Canadian shoe industry. On three occasions, manufacturers benefited from tariff reductions with respect to materials not available in Canada.

Several cases are currently under consideration. I want to point out that if at first that sectorial strategy applies only to the footwear, leather and tannery industries the Department of Industry, Trade and Commerce is now considering the possibility of extending the benefits not only to the footwear industry but also the rubber footwear subsector. And that step followed the suspension on August 28, 1975, of the general preferential tariff on rubber footwear and the restoration of the 20 per cent tariff of the most favoured nation. That is in answer to a question asked by an hon. member this afternoon.

About the clothing industry I think the hon. member for Halton-Wentworth (Mr. Kemping) outlined this afternoon our policy about the clothing industry. We are aware that small and average businesses today must sustain an increasingly sophisticated competition at the international fashion level and we wish to encourage Canadian businessmen to transfer part of their production abroad and to invade further the American and European markets to take advantage of more propitious conditions. It is by introducing new original styles, by specializing in good quality products for which prices are less decisive that some Canadian manufacturers have succeeded not only in keeping their position on the local market, but in being accepted on foreign markets.

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The Canadian industry works on smaller production series than its American counterpart and thus it can be more flexible and adjust more readily to the constant changes and whims of fashion. I feel that the clothing industry will experience considerable expansion in the next few years. Indeed the Department of Industry, Trade and Commerce has authorized rather substantial investments to enable Canadian manufacturers to break onto the European market.

Now, I wish to add a few words concerning the points raised by the hon. member for Roberbal (Mr. Gauthier) who voiced his concern about cheese quotas which will be eventually announced. I think necessary to say a few words on the background of those imports. On June 6, 1975, we accepted an overall quota for the importation of 50 million pounds of cheese for the 1975 season.

In the light of the present production, if we consider for instance the dairy production, there is a tremendous increase in butter production—about 21 per cent—which contributed to boost milk powder stocks. Consider the following standards: four pounds of butter represent the production of eight pounds of milk powder from a hundredweight of fluid milk. Yet we now have in stock enormous quantities of milk powder as industrial milk processors preferred to process industrial milk powder into butter and step up powder milk production. But on the other hand, there is a decrease in cheese output in Canada. The Cheddar cheese production in Canada has slipped by about 6.8 per cent.

The decision concerning the import quota is to be determined after we have consulted farm organizations and