

Proceedings on Adjournment Motion

As I pointed out in the original reply to the hon. member, each individual case was not examined by the Department of Justice. However, the Department of Justice has endeavoured to classify the reasons for overpayment into a number of categories: for example, a change of facts since the original submission, a change of residence, etc., with a view to determining what course of action should be taken with respect to each category. Our department is still awaiting a reply from the Department of Justice. We are also awaiting a reply from some farmers who have been asked to reimburse the money. As I pointed out, some of them have complied with the request and others who feel they should not reimburse the department have given satisfactory explanations and things are settled. I suppose among those cases which remain to be settled there will be many more farmers who will give a proper explanation that will settle the matter. We hope this will be the case.

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[Translation]

TRADE**MEASURES TO ALLEVIATE WORLD MARKET
COMPETITION**

Mr. Henry Latulippe (Compton): Mr. Speaker, on September 28 I did put a question that was considered too general in scope to call for an immediate answer. I will quote the question I then put to the hon. Minister of Industry, Trade and Commerce:

What policy does the government plan to implement in view of the re-organization of trade blocks in the world, and how will the Canadian economy subsist in the next few years if it tolerates cost increases such as those we experienced in the last few years while being able to meet the competition on world markets?

Mr. Speaker, we already have to face the European Common Market the members of which can certainly produce cheaper than we can even if their economy differs from ours. Our economy is one of increase in taxes, interest rates, salaries, cost of living and, consequently, in products. The more we progress, the more we experience such a situation. The more prices and costs increase, the more difficult it is to compete with other countries.

I was asking the government what kind of solution it had to suggest to cope with the serious economic conditions which we are experiencing.

I would term that, Mr. Speaker, an unfair economic advantage, an economic unbalance. This unbalance is obvious, because we will witness in the near future a considerable decrease in Canadian exports, such as we have known and are experiencing at the present time. These decreasing exports are due to the high interest rates which the industry, as well as ourselves, has to pay to obtain the necessary capital to carry on in business. This condition is also ascribable to exorbitant federal, provincial, municipal and school taxes which still raise the cost of all products. Thus in all those sectors it becomes more and more difficult to compete with other countries.

We can expect in future even worse conditions than the present ones. I was asking the government whether it could not give us satisfactory answers and tell us, for

instance, what is being done now to remedy this situation, to find other means of financing our industries at lower interest rates and to improve the situation with regard to bonds and loans.

• (10:20 p.m.)

Consider the case of debentures. When manufacturers have to issue debentures on the market, they do so because they have enormous bills to pay and carry tremendous overhead expenses. Even the cost of insurance is too high for manufacturers. The financing of production and warehousing is also too costly. Formula 88, as put out by the banks and financial institutions, entails a 12. per cent interest rate.

Those are as many factors that contribute to increasing prices, to creating problems for the Canadians, to restricting our imports, for prices are endlessly going up.

Therefore, Mr. Speaker, I ask the government whether it could not find some technical formula such as a compensated discount to reduce prices. We must absolutely establish a price reduction policy in order to control all factors of increase. That is why I am asking the government what kind of policy it can offer the Canadian people and our industries in that regard.

[English]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member for Compton (Mr. Latulippe) has raised an interesting question this evening because Canada is indeed concerned about its trade problems around the world. Canada has a reputation of being the highest per capita trader in the world. Of course, we are particularly concerned because of developments in the trading world such as the enlargement of the European Economic Community.

I caution the hon. member against taking too pessimistic a view because of the situation. Temporary adjustments will be necessary. I advise him to look at the opportunities that exist in the enlarged economic community in Europe. The large market that exists there is growing every year. Their average tariff level is very reasonable. There are many opportunities for Canada as a great trading nation.

We have been very conscious of the problems that exist in making those adjustments. We carried on discussions with the British as they considered their entry into the Common Market. We were able to make special arrangements with the British, which they carried into the market on behalf of Canada, with regard to special products of great concern to Canadian trade. We are doing other things as well. We are promoting the development of multilateral trading negotiations within the OECD. We believe that real progress in advancing Canada's interest in international trade will be made when there is a new round of trading negotiations. This will lead to freer trade in the world.

The hon. member referred to the problem of keeping costs in line in order that we may maintain our trading advantages in the world. We should remind ourselves over and over again that Canada has the lowest cost of living increase of any of the western nations. The figures published by the OECD last year showed that Canada had a