

Canadian Trade Policy

deficit of \$639 million in 1975. Canada's customary deficit on non-merchandise trade approximately doubled from 1971 to 1975, from \$2.1 billion to \$4.3 billion. The deficit for the first half of 1976 was about \$600 million higher than for the same period in 1975. The non-merchandise deficit for the year as a whole is expected to be in the neighborhood of \$5 billion.

The report also indicated that the service transaction balance has deteriorated for nearly all categories, although the most marked change has been the increase in the deficit on interest and dividends from \$1.1 billion in 1971 to \$7 billion in 1975. The freight and shipping account, which was in approximate balance in the early 1970s, has moved into a deficit of \$370 million in 1975. The deficit on other service transactions went from \$765 million in 1971 to \$1.2 billion in 1975. For the first half of 1976 the deficits on travel account and on interest and dividends account have increased substantially. It is interesting to note that this report states that Statistics Canada has not kept records of trade with individual countries except the United Kingdom and the United States. This may partly explain why the government is so secretive. It does not know what position to take with respect to individual countries.

Something else which may help to explain Canada's position in world trade is the rate of turnover of cabinet ministers. I see few cabinet ministers sitting in the House.

Mr. Goodale: Where is the hon. member's leader?

Mr. Stevens: It is difficult for a minister to acquire knowledge of his portfolio in less than one year—

An hon. Member: The back rows on the hon. member's side are almost empty.

Mr. Stevens: Mr. Speaker, the hon. member can make a speech if he wishes. Perhaps he will allow me the courtesy of finishing my speech. The fact is that we have had three different ministers of industry, trade and commerce since 1973. As I said, it is difficult to understand a new portfolio in less than a year, and we have had three ministers appointed in the last three years. I suggest that those ministers did not have time to discover the location of the washrooms in the department. Therefore, how can one expect them to draw up a proper trade policy on the basis of which Canada should negotiate at Geneva?

Let me refer again to the conditions which form the framework for the current round of negotiations in Geneva. The world has changed substantially since the Kennedy Round of negotiations to which I referred. We must now deal with at least three economic blocs. There is the United States block; the European Common Market, which for the first time is negotiating on behalf of all countries forming part of that market, as opposed to having each one of them take its own individual, nationalistic approach; and a third big bloc, the Soviet Union and eastern bloc countries. Japan may herald the emergence of a fourth bloc, and the OPEC nations a fifth bloc. Canada seems to be the odd country, outside of a bloc. The government must explain the reason for this. Is this what it wants? Does it want Canada to be among the few countries in

the world isolated from one of the big five economic blocs which have been formed or are in the process of formation, or does it want Canada to join a bloc? In any event, we have the right to know what the government intends in this regard.

Surely the government would wish to present a bipartite policy when engaging in international trade negotiations. Hopefully, it might even consider a tripartite policy which ought to be presented to parliament when engaging in international negotiations. But the government has not done this. Instead, it has engaged in a highly partisan approach; it has dealt in secret and come back to parliament asking for rubber-stamp approval with respect to agreements entered into. Surely the best forum for consultation with respect to trade matters is parliament, the institution of which we are one part. In parliament, the people of Canada, through their elected representatives, have the opportunity to participate in decisions of the day; and, Mr. Speaker, no more important decisions than those currently being taken in Geneva will be made during the balance of this decade.

Let me now turn to tariffs. It is interesting to note the magnitude of the revenues the government derives from certain tariffs. In the 1976 fiscal year, the total revenue was \$1,887 million. If we look at the American trade act, it calls for a 100 per cent reduction of tariffs of 5 per cent or less, and a 60 per cent reduction of all other tariffs. If that is the view that prevails in Geneva, and if there is such a cutback in tariffs, it will mean, for example, an estimated \$1.1 billion of lost revenue as far as our Customs tariffs are concerned. The odd point is that that fact is not even known by the negotiators who are presently negotiating on our behalf in Geneva.

● (1540)

Often, when we speak in terms of tariffs on trade, we do so in the abstract. However, let us not forget that what we are really talking about is jobs—jobs for Canadians in the electronics industry, the textile field, the leather industry, the furniture industry, the china industry, lock-making and many other diverse forms of activity. That is why we believe, in proposing this motion today, it is urgent that there be a less secretive approach to what is transpiring in parliament, and certainly with regard to our trade negotiations at the present time in Geneva.

It is not just a question of tariffs. Perhaps the most important items that are going to be negotiated in Geneva are the non-tariff items, the so-called subsidies, the countervailing duties. That is where Canadian businessmen, people in the export field and consumers could have an important input in contributing to the negotiations in Geneva, if they were allowed that privilege by this government that is now, temporarily, in office.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Some hon. Members: Continue.