

remain the same. Therefore, Mr. Speaker, we have to produce at a better rate if we really want to export. There are all kinds of ways we could use to produce at better rates. They are logical ways that should be studied. Many things have to be reconsidered in our economy. Reforms must be made in the various segments of the economy if we really want to produce here at a cheaper rate and if we really want to become an exporting country. There are all kinds of commodities that we can produce. We have in Canada, Mr. Speaker, everything needed for that, including the necessary engineering and the modernized industries.

In the food stuff sector, for instance, we could have produced at least 10 per cent more in 1973. Our national production could have been better by at least 10 per cent and if we made low-interest credit available to farmers, thus enabling them to buy the farm machinery they need, and even if we granted the compensated discount on certain farm machinery or machines used in trade and industry, we could, Mr. Speaker, produce at a much cheaper rate. And if we lowered the rates of interest, which is the most important factor, we could lower the production cost.

At present, we have a surplus of about \$50 billion in capitalization, and all this surplus supply is piled up in warehouses, in department stores, and this is financed through the bank financial formula at an interest rate of 12 per cent, which cannot possibly lower the price of products. To lower the price of products, we could finance all these stocks, all these inventories, at much lower interest rates, and we could thus cope with imports in all kinds of fields. That is the main point I wanted to stress.

There would be so many things to say about this bill, but other members have dealt with a great variety of matters and I do not intend to repeat what has already been said. The previous speaker almost made the same speech as mine a moment ago. I wanted to make practically the same comments as he did. Therefore, under the circumstances, so many things having been said, I will conclude my remarks and resume my seat.

[English]

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a few comments to make on Bill C-4, to amend the Export and Import Permits Act. There is no doubt that the government has again moved to placate the NDP by bringing in this bill. One wonders if it is the result of yet another telephone call between the hon. member for York South (Mr. Lewis) and the Prime Minister (Mr. Trudeau).

Mr. Knowles (Winnipeg North Centre): You don't mean that!

Mr. Kempling: Oh, I do mean it very much, my hon. colleague. There are some hidden factors in this bill that require explanation. For instance, why does the government seek to have this act expire on July 31, 1974 and become a permanent statute? This bill removes the act from the control of parliament and places it in the hands of the Governor in Council. It places in his hands complete control over the Export and Import Permits Act. This is another example of the government circumventing parliament and removing from the House any consideration of

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commerce conducted under the Export and Import Permits Act. It creates a situation whereby the Governor in Council can, by order in council, exert tremendous power over what has been a relatively free market.

For years we have been striving for certain export markets. We now find that we may be denied some of those markets if a particular product is placed on a certain list. I agree that we should process more of our natural resources in Canada, but this has to be done in the context of world supply. If, for instance, we ship less copper to Norway or Japan because of an action of the Governor in Council, will we lose this market, say, to Chile or some other world producer of copper that does not have these restrictions?

Where do the amendments fit into the GATT negotiations? Are they not in fact another tariff? Are we, on the one hand, negotiating at GATT conferences for freer access to markets and a general reduction of tariffs, and then imposing new kinds of tariffs by placing export and import permit controls in the hands of the Governor in Council? We will want to hear from the minister, when this legislation goes to committee, just where this fits into our whole trade picture. Where will these amendments fit into the total transportation picture? What freight rates will apply to the semi-produced natural resources we are talking about?

We know what happened to rapeseed cake production in western Canada. Lack of a comprehensive policy has cost the Canadian taxpayer hundreds of millions of dollars over the last several years. Bringing before Parliament half a policy without the other half smacks, I say, of political mischief. As I have said, this is a move to placate the NDP and nothing more.

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If there were parallel legislation which would encourage industry to process more raw materials or natural resources, or provide that our program will be staged over a period of time to allow our customers overseas to adjust to our new policy or provide that our negotiators at GATT negotiate on the basis that a percentage of our natural resources will be processed, which percentage will be increased over a period of time until we reach an optimum level, then I would say that this is a pretty good bill. We shall put these questions to the minister and expect answers in committee.

We are putting power into the hands of the governor in council to restrict the export of certain products which will be placed on a list. We are not told which products will be on the list, or why. We are asked to make the Export and Import Permits Act a permanent statute, not subject to parliamentary review. Personally, I am not confident that the government can carry out this function.

At present the government has power under the act to restrict exports. There was no move on the part of the government to restrict the export of finished lumber, even though domestic demand for lumber for the housing market has reached unbelievable heights. In the United States we saw the government move to restrict the export of lumber from the west coast because there was a shortage which was driving up the price of housing. The United States government moved to cut the export of lumber to Japan by some 30 per cent. The Canadian government did