

height of folly for Canada to begin a campaign of retaliatory action against the United States. I think sanity should return to the bargaining table.

Such campaigns would be self-destroying because the size of the armoury in the United States is much greater than ours. We might fight a good fight for ten minutes, but in the eleventh minute we would sustain a knockout blow and lose the fight. We will be able to examine this at much greater length in the committee, but I think this is a step in the right direction.

In these matters I do not think anything of a particularly partisan nature will be said. I have not detected any great partisan proposals from one party or the other in this particular field, although I think there might be a tendency in the opposition, particularly in the field of horticulture, to wish for speedier action with respect to special duties when fruits and vegetables, particularly from the United States, arrive here, due to the advantages of climate, and thoroughly ruin the market for Canadian goods coming onto the market, which should have the benefit of a good, active market, but the market is so saturated by American produce that the buying public is satiated and no longer interested. I am thinking of some of the soft fruits such as apricots, peaches, strawberries—

Mr. Lewis: Avocados.

Mr. Lambert:—and a number of other things, but I leave that for the people from the Niagara area and British Columbia, because I know that over the years they have been making very serious representations here. They have not been able to get very far in getting the machinery set up in the Department of National Revenue so that it can move almost as quickly as can the produce involved. Usually the machinery of government takes about three weeks to get cranked into action. Then, of course, it is far too late.

Mr. Baker (Nepean-Carleton): We were just getting started at that.

Mr. Lambert: I am glad to hear that when he was minister, my colleague, the hon. member for Nepean-Carleton (Mr. Baker), was able to look at this and get it started. I hope his successor has continued, although there seems to have been a curtain of inaction over certain changes in the Department of National Revenue. I once had a fairly intimate knowledge of where things stood in that department. There are now great gaps between talk and action. I do not know whether that is because the present Minister of National Revenue (Mr. Rompkey) cannot get his cabinet colleagues to agree with him, or whether the machinery is structured in such a way that an idea or proposal takes an eon getting the final approval of cabinet. It is not necessarily the fault of the minister. It is often the fault of the structure of the cabinet machinery and the operations of the Privy Council.

The other matter to which I want to refer is the nature of the implementations of the staged changes in tariff which come under the Tokyo Round. I am all too conscious of the

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absolutely nefarious effects of actions of one former minister of finance, Mr. Benson, following the Kennedy Round. We had a five-year period rather than an eight-year period under the Tokyo Round. There was also an ineffectual measure taken by the then Trudeau administration in about 1970 to combat inflation. This was the time when the Prime Minister (Mr. Trudeau) was running up and down the country talking about having wrestled inflation to the ground.

Following his 1969 television address in mid-July and then other things, with a stroke of a pen Mr. Benson proposed that the remaining three-year cuts in a number of Canadian industries be telescoped into one. The industries themselves were hurting for having been picked out by Canada as those to suffer cuts in tariff protection. I am talking about heavy chemical manufacturers, fine paper producers, and a number of others. They suddenly found one day that what they had looked at as a five-year program had been cut to something like two and a half years. There certainly was "no joy in anybody's-ville" when it came to the effect of capricious changes by government. Those changes were not thought out. The program was an unmitigated disaster.

Canadian manufacturers had to sharpen their pencils and cut their prices in order to meet foreign competition. The program had nothing to do with competition. Foreign competition was coming in, in any event. All the program did was give a leg up to foreign competitors so that they could really clean out the Canadian market in competition with people who were already struggling hard. This points up one of the difficulties with which we are faced at the present time. Canadian producers and manufacturers are helped by unnaturally low fuel costs or energy costs. They enjoy an advantage of almost 60 per cent because at the field the rate for Canadian fuel is from \$16.75 to \$19.75, while the world price can reach well over \$35.

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It is said by those in central Canada, and I will repeat it, that, somehow or other, if they go to 75 per cent or 85 per cent of the North American price, that is the Chicago price which is a factor of the world price, they will suffer disadvantages and Canadian industry will be driven further behind. I have never heard such arrant poppycock. The difficulties with Canadian industry lie in other sectors, that is in lack of productivity, lack of management skills, and management unit costs that are too high. Also, one of the difficulties is the scale of the market. But who says we cannot compete with people in the external markets?

In the United States they are paying considerably more than we are for their petroleum products. The Europeans are paying three times as much as we are, and then we turn around and say that we cannot compete. There has never been such a cry-baby argument for insisting that other Canadians make an unnaturally heavy contribution to this so-called inefficient fight against foreign competition, and all we are doing now, of course, is to drive Canadian industry into the ground by cutting back heavily on the one industry which is showing