

*Customs Tariff and the Duties Relief Act*

the tariff measures demonstrated that protectionist action on the part of the U.S. cannot be undertaken without cost to it.

However, I am also certain that Hon. Members will recall that in his Budget Speech of February 18 the Minister of Finance (Mr. Wilson) announced that, having made the point to the U.S. about protectionist action, the tariff component of the Government's response was being withdrawn. He announced effective February 19 the previous rates of duty in effect immediately prior to June 6, 1986, would be restored.

Since the legislation to enact the motion of last June has not been considered by Parliament, this Bill amends the customs tariff to give effect to higher rates of duty on certain items commencing June 9, 1986. It also restores effective February 19 the rates of duty that were in place prior to June 6 of last year.

[Translation]

Finally, Madam Speaker, this Bill includes a number of major technical amendments to the Customs Tariff and the Duties Relief Act. Among other things, it is aimed at achieving conformity between the French and English versions of these acts.

[English]

I might also add for the benefit of Hon. Members that two of the technical changes to the customs tariff are being made to reflect recommendations received by the Standing Joint Committee on Regulations and Other Statutory Instruments.

In conclusion, the amendments contained in this Bill to the "made-not made" tariff items, and to some of the items involved in Canada's response to the American action on cedar shakes and shingles, give effect to important trade policy decisions. The Bill also responds to the evolving needs of Canadian manufacturers in the business community, as well as to recommendations of the joint committee. As such the Bill deserves the support and timely consideration of all Hon. Members.

• (1210)

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Madam Speaker, I want to follow the example set by the Hon. Minister in offering short and succinct comments on this legislation. If I was a member of the Conservative Government I would want to keep my comments as short as possible because this Bill is the end result of what can only be called the great shakes and shingles retreat. That is one of the more ignominious chapters for our Government which has set new standards of ignominy over the past two and a half years.

You will recall there was a time when this House was reverberating with the brave words of the Prime Minister (Mr. Mulroney) as to how the Government was going to retaliate with force and effectiveness against the unconscionable actions of the U.S. in imposing a 35 per cent tariff on our shakes and shingles industry. He had Americans trembling in their shoes with expectation. Then came the Minister of Finance (Mr.

Wilson) with his bold announcement that the Government was going to impose new tariffs on tea-bags, Christmas trees and, of course, books.

That raised a question about what there is in the Conservative mind that does not want people to have fun. The Government now has a tax on watching television. It has put a new tax on talking to your grandmother by long-distance. Of course this all began with the tax on books. I could understand it if it was some insidious conspiracy designed to broaden illiteracy in Canada. I presume the Government feels that the less people know about what is going on, the less critical of the Government they will be.

However, if you can believe it, it was employed because the Minister of Finance's logic is that you can retaliate against a totally unfair, stupid and irrelevant action by the President of the U.S. by putting a tariff on books and thereby substantially increasing costs for Canadian book publishers. In fact it put that industry in jeopardy.

That was one of the more bizarre episodes of this blueprint we have watched unfolding. There is a kind of masochism in the mind of the Minister of Finance that if we only flagellate ourselves by putting tariffs on books or cable television or taco chips somehow Canadians will be cleansed. They will somehow feel better for having to pay more for some of life's small pleasures. It is a kind of puritan orgiastic cleansing.

We can only be thankful this morning that once again the Government has had to correct itself. Once again it is retreating, covering up, and overcoming what was a very clearly stupid mistake. Of course we will support it because we said right from the start that retaliation made no sense. We can only conclude that the Minister of Finance suffers from a certain time lag because it took him six or eight months to come to the same conclusion.

Before returning to my seat I want to say that there is a lesson to be learned here. It is one that is not often expressed in this House. Tariffs can be a good thing. Tariffs can be a very useful instrument of economic policy. They can be a very important part of industrial economic policy if used in an enlightened, imaginative and managed way. While constantly beating their breasts the Conservative Members say that they are trying to achieve a tariff-free zone between Canada and the United States.

• (1220)

We saw the deplorable performance of the Minister for International Trade (Miss Carney) last week as she tried to defend the indefensible, saying that the Government was somehow going to maintain the safeguards in the Auto Pact while eliminating the tariff, never drawing the logical conclusion that if there are no tariffs there are no safeguards. Somehow that small formula escaped the mind of our Minister for International Trade. I can understand why. As we know, she and the chief American negotiator are not on speaking