

*Customs Tariff*

impossible to have economic production of soybeans in this country.

No one from the government side, in the house or in committee, has shown how we shall recover economically the moneys lost by the reduction of tariffs between countries. The classic example generally put before us is the automobile trade pact between the United States and Canada. I think that this is a far greater industry managed market than any of us imagine, which brings up another point.

It occurs to me that when there was tremendous pressure brought to bear at the Geneva conference on nations belonging to the GATT organization to lower tariffs, perhaps the primary reason behind it could have been more of a selfish than an idealistic or philosophic one. It seems to me that when we have a reduction in tariffs straight across the board, as was requested by the United States but a negotiated one so far as the Canadian negotiators were concerned, it lends itself ideally to the changing trade patterns of which I spoke under which we now have the formation of international corporations. No longer are we faced just with the importation into a market in Canada of produce in short supply or produce to supply a market that has been cultivated by local producers. No longer is it just a matter of certain importers, wise in the ways of business, taking advantage of short supply. It seems to me that the customs tariff reductions we are faced with today provide the very climate necessary for international corporations to purchase wherever and whenever they choose on the markets of the world goods in surplus supply at fire sale prices and then use their large international distribution systems to take advantage of short supply in other sections of the globe to the detriment of the local producers or manufacturers. I think this is what is in the minds of many small businessmen, small producers and many secondary industries when they view the ramifications of the piece of legislation which is before us.

● (4:00 p.m.)

One outstanding example I might note at this time of the fear expressed in many segments of the economy is the tremendous interest shown in the companion bill that will be brought forward, the anti-dumping legislation. It seems that the one somewhat contradicts the other. If the purpose of liberalization of the tariff is to make free trade the optimum and the absolute for world nations, why then is it so necessary to place such

[Mr. Danforth.]

emphasis on the companion anti-dumping bill? Why is there such interest shown among many successful trading nations that its application be not just nor swift? It seems to me they well know already that if our present machinery for protecting our markets is modified in any way they will suffer direct capital consequences. I am of the considered opinion that the lowering of tariffs by this particular piece of legislation will be more than offset by the anti-dumping provisions as has been exhibited in the debate this afternoon.

We find here in Canada, especially in agriculture, that when we attempt to take advantage of foreign markets in many instances, because by reason of very favourable weather conditions, a very favourable production quota or the efficiency of our farmers or producers we have been able to produce a surplus of a top quality product, it is the non-tariff barriers erected in other countries that make it impossible for us to take advantage of what normally would be a profitable market. It seems to me that if the countries involved were as sincere in making their markets available to Canada as this government seems to be in making Canada's markets available to them we would not have the actions we see to the south of our border where from time to time and even now additional and unexpected tariffs are imposed against our commodities. Additional unexpected and overnight qualifications concerning inspection methods are applied to our commodities. If the United States were as sincere about dropping its tariff barriers as this government is, I do not think this situation would exist at the present time. If we find such action taking place in the days and months ahead I can assure you, Mr. Speaker, on behalf of the major exporters of our manufactured products and produce of our soil, that any ratification we may give today to the bill before us will be paid for in the economic climate in which Canadian citizens will be forced to work.

I am very unhappy about the ramifications of this bill. It represents a downward trend in the protection we have enjoyed to date and which in many instances we have considered not enough. However, in its wisdom the government has already agreed in general to the terms they are putting before us. In the eyes of the organization at Geneva it is a *fait accompli*. We are asked to ratify terms which already are in effect. Although I have the greatest admiration for the patience of those