

*Customs Tariff*

**Mr. Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** On division.

Motion agreed to and Bill read the third time and passed.

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**CUSTOMS TARIFF****MEASURE TO AMEND**

The House proceeded to the consideration of Bill C-111, an Act to amend the Customs Tariff and to amend an Act to amend the Customs Tariff, as reported (with amendments) from a legislative committee.

**Hon. Flora MacDonald (for the Minister of Finance)** moved that the Bill be concurred in.

Motion agreed to.

**Miss MacDonald (for the Minister of Finance)** moved that the Bill be read the third time and passed.

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, this Bill has within it three quite distinct parts. The third part I will not deal with very much at all. It extends a commitment which we feel should not have been extended as far as it has been with respect to pornography under the Customs Act.

The first two parts of the Bill are interesting. The first part deals with the intent to establish a relationship between Canada and the Caribbean countries called CARIBCAN. It is an attempt to work out a trading relationship which will permit the Caribbean countries to enter their goods into Canada with a few exceptions at tariff free rates.

We have examined this Bill in committee and continue to have some concerns about the shortcomings that exist. These are two major gaps. First, there is a significant set of products left out of the trade relationship to be established. Any Members of Parliament who know the Caribbean economies at all will recognize that the specific goods which are exempted—textiles, garments, footwear and leather products—are very much the products prevalent in many of the manufacturing economies of the Caribbean Islands. To leave them out is to block off the potential for manufacturing growth in some of those Caribbean islands.

Second, there is a 60 per cent value added criterion which is set up in this Bill, that is to say, you have to produce 60 per cent of the value added of any item which is to benefit under this Bill within the Caribbean economy itself. For a developing country that is usually quite difficult. In this case it compares very poorly and very unfairly with the 35 per cent value added provision which exists under the U.S. arrangement with the Caribbean countries called the Caribbean Basin Initiative. We

could have been a good deal more generous with respect to these arrangements.

Our discussions with Jamaican representatives, just to take that country as an example, suggests to us that they continue to feel quite unhappy with the restrictions placed in the context of this Bill. We had hoped to have some witnesses before the legislative committee to reflect some of the unhappiness, but there was a push on the part of the Conservative majority in the legislative committee to get this Bill through as quickly as possible. For that reason we did not find it possible to invite witnesses to speak to these areas.

I want to turn from that part of the Bill, which is interesting but as I have suggested hardly earth-shaking, to the second part of the Bill which I think might be called by the Conservative Members of the House the "mouse that roared" section of the Bill while we might consider it as "the mouse that cut off its own foot" section of the Bill. What the second section of the Bill, deals with is the bizarre attempt on the part of the Government to relate against the United States for its shake and shingle tariff by raising a tariff on our computer and business machines produced here in Canada.

I think it is remarkable that we should first attempt to put into place a system of retaliation which does absolutely nothing for the shake and shingle producers in British Columbia either directly or indirectly. It is even more remarkable that this effort at retaliation should be so misguided, so distorted, so wrong-headed in the area in which retaliation is taken. We did manage to have the representatives of two of the important computer manufacturing and business manufacturing sectors come before our committee. They presented, I must say, a sorry tale of exactly how the Government had behaved in this misguided mixed up effort at trade retaliation.

I have to quote, for the benefit of some Members in the House who have not had the chance yet to work their way through the legislative committee minutes, some of the very harsh comments made by business representatives who we managed to get invited to come before the committee. I note first the comments of Mr. Gordon Gow of the Canadian Advanced Technology Association. He is also President of Gandalf Systems Group. He said quite bluntly that he did not see how Bill C-111 does us any good. He went on to say that it is entirely a "lose, lose, lose" situation; the Government loses, the consumer loses and the industry loses.

• (2130)

In the Budget of last February the Government first attempted to reduce all tariffs affecting this industry after telling the industry to make adjustments to work its way through this difficult period of having to live without tariffs. The industry welcomed that because it gave it a chance to compete in the U.S. and Japan. What was exciting about this approach to freer trade was that it was sectoral, it had been discussed with the industry and they felt good about it, and, unlike the thrust by the Government to set up a free trade deal with the U.S., it did not lock us exclusively to the U.S.