

Customs Tariff

about phasing out these positions and transferring people, meaning that a fair amount of hardship will be incurred by these employees.

Bill C-71 deals with tariffs. I think we will deal with many individual points when the Bill is before the legislative committee. However, over all, one wonders why the Government is proceeding with changes in tariffs when it is about to embark upon large scale discussions with the United States about some type of free trade agreement with that country. It is really patchwork legislation. We wonder how timely it is if there are to be major changes down the road. As a Government, it has not totally thought through what course of action it will follow in terms of the development of Canadian industry or how tariffs and excises influence the growth and maintenance of industries within Canada.

There is no doubt that the tariff regime is a way in which Governments affect economic growth and development. We all recognize the fine line which has to be walked. We want to protect Canadian industry and see it flourish. We want it at least to have a good crack at the domestic market. We also want to make certain that large foreign multinational corporations cannot move in and capture the Canadian market, thereby destroying our domestic producers. We also recognize that tariffs can have a negative effect upon the economic development of a country. Behind tariffs, inefficient industries can maintain their protective position and refuse to be innovative and to carry on scientific research. They can essentially become inefficient producers protected from foreign competition by a tariff wall. In the long run, such tariffs do a disservice to Canadian industry and of course to Canadian consumers.

Also we must recognize that tariffs do not have an equal effect across the country. Many of us in western Canada have historically complained that that part of the confederation bargain which worked against the West was that normally we paid higher prices for goods and services manufactured in eastern Canada and protected by tariffs. However, the goods and services which we produce, that is raw material and agricultural products, do not receive such protection. On the one hand we pay for increased costs. On the other hand, we do not receive any protection for economic activity in western Canada. When the Government enters the road of free trade surely one of the aspects it has to keep in mind is how well all regions of this country will benefit from whatever deal the Government makes.

● (1540)

We have seen even in very recent times that where there was an assumption that some understanding of free trade existed, in the lumber industry, in agricultural products, in the fishing industry, that in fact what we assumed to be the case has been threatened or, in some instances, our agreement has not held up at all. I think of the prok producers of my district who have experienced great difficulties because of the obstacles placed in the United States with respect to their products. We are all concerned in this House about what will happen to the lumber

industry. We are aware that there are various protectionist measures being introduced in the United States Congress that would severely limit access to Canadian lumber. We know that given the parliamentary system in the United States, regardless of what agreements might have existed between Canada and the U.S. as far as lumber is concerned, that all of that can be upset like an appletart if some of these Bills presently before the U.S. Congress pass.

We wonder, Mr. Speaker, what type of negotiations the Government is ready to enter into in the United States and what we are doing. Are we making the Canadian industry and our jobs at home vulnerable to international competition, mainly from the United States? We recognize that no country can exist in isolation and that international trade is essential for Canada, and, I would say, for all of the industrial countries. As I mentioned before, it is a fine line. There must be some sensitivity to each sector of the economy. We must know what we want before we get into negotiations. We have to know what our strengths and our weaknesses are so that in the end we come up with a package that is balanced, that does not put an onerous charge on the consumers and yet protects the basic structure of the economy.

It requires knowledge, wisdom and foresight. It requires some competence as well. I am afraid, Mr. Speaker, that the present Government so far has not exhibited any of those essential traits. If one looks at how it handled the CCB one realizes that it mismanaged and in the end lost \$1 billion. If one looks at the tuna affair and various other major blunders one becomes concerned whether this Government knows what it will be doing when it is prepared to negotiate a treaty with the United States. I am greatly concerned that the people opposite will be very easily hoodwinked into a deal which will be good for our neighbours but not good for the family at home. I have some genuine doubts as to their competence in handling this matter.

One of the specifics that we are somewhat concerned with in this Bill is the Government's decision not to apply a 25 per cent tariff to large fishing vessels. I recognize that the Government is concerned about the fishing industry and it does not want to see Canadian fishermen pay extra charges for foreign fishing vessels. Surely, recognizing as well the fact that our fishing fleet needs some drastic improvements, and it has been estimated that approximately \$3.7 billion in fishing vessel construction is going to be needed, are we prepared to see that \$3.7 billion of construction flow out of this country? Is it not possible to capture that \$3.7 billion of construction to give jobs to Canadians with perhaps Government assistance and involvement as well so that the fishermen do not have to pay so much extra for their fishing vessels and yet at the same time that money stay in Canada where it will help to pay wages, help to support the small contractors, and generate income which in turn the Government collects taxes on and thereby increases its revenue?

A certain amount of economic planning is required to do that. The unfortunate part is that we have a Government that does not believe that Governments should be involved in