

surprised me when these bills are before us, before the other place or in committee, is that we never seem to get any kind of indication, any kind of cost-benefit assessment, either when the bill is before us or later on, as to whether it did what it was intended to do. One has to presume, of course, that within the department these considerations have been taken into account and that someone, somewhere knows what the effect of a reduction or an increase in the tariff would be and, sooner or later, at some time along the road, assesses the result in relation to the target. However, I see no evidence of this on a continuing basis. Once in a while a question is asked with respect to a specific item and an answer may be given. In my opinion it is something that our committee or, perhaps, a committee especially charged with a mandate to look into this whole question, should consider.

The bill before us, for example, is in three main sections, as indicated by the sponsor. It deals, first of all, with those anti-inflation measures of which I spoke; secondly, with some special concessions to third world countries and, finally, some miscellaneous changes, mainly relating to machinery, equipment and scientific apparatus. The specific purpose of the reductions that were made following the budget speech in February of 1973 was to lower prices. For this reason there was a general reduction of tariff items, some in the food area, some in other areas affecting trade, now of the magnitude of \$1.4 billion. Of this amount, food items account for \$400 million and the others for \$1 billion.

This was a temporary measure and one which has been extended from time to time. One of the purposes of the bill before us is to extend some of those reductions for another year, to June 30, 1978. There are, however, exceptions. In this area, too, the old story is repeated—we reduce some tariffs and increase others. Exceptions are made to the reductions that were put into effect in 1973, and subsequently. Items such as lighting fixtures now go back to the rates in effect prior to the temporary reductions being brought in. There will be an actual increase in the tariff on refined sugar, amounting to one-fifth of a cent. That increase is intended to net-out the position of the sugar refining industry in Canada, although even with that increase the tariff will still remain below the level of 1973.

There are special reductions added for certain tropical products. This, again, deals with the second group, which consists of concessions to developing countries. These are what are known as items in the tropical products group.

Honourable senators will be aware that there has been considerable discussion at the international level as to the type of help that developed countries can give immediately to Third World countries, and one of the concessions taken was that countries such as Canada could move in this direction immediately.

This, of course, causes some problems. We are now entering the final stages of the GATT renegotiations, the so-called Tokyo Round, and our negotiators and the government itself find themselves in a bit of a dilemma. There are definite concessions all across the board which we are prepared to

make, but the minister and those negotiating wish to hold those as bargaining items. In spite of that general policy of holding back on those concessions for purposes of bargaining in Tokyo, the decision has been taken to go ahead immediately and give special concessions to Third World countries, not only in respect of tropical products and food but across the board. So, we are adding some items to the general preferential tariff, the tariff concessions extended by developed countries to Third World countries only. That measure will affect \$100 million in imports.

The general preferential tariff has been somewhat controversial in our foreign affairs history. At one time we flatly refused to extend it, even when other nations were doing so. We had a reason for taking that position. We attempted to argue that position with other countries, but it was not accepted, as a result of which the government decided to join those other developed countries in extending general tariff concessions to Third World countries. This bill, if passed, will add a number of products to the general preferential tariff rate; at the same time, we will remove the MFN tariff, the most-favoured-nation tariff, on a number of products. Those are two means of achieving the same result.

Finally, there is a group of miscellaneous tariff changes. Here again, we have pluses and minuses, increases and decreases. The major item is perhaps in the area of the importation of machinery and equipment. Honourable senators will recall that when the United Kingdom entered the European Common Market, it automatically lost the British preferential tariff. At that time the decision was made not to cancel the entire British preferential tariff immediately, but to let it continue and see what developed. It was again the intention, I believe expressed, to hold that as a bargaining item with the U.K.

• (1420)

The present bill would remove some nine categories of machinery and equipment from the British preferential tariff, which is 2½ per cent, and bring it under the most-favoured-nation tariff, which is 15 per cent. This is the kind of item that again raises the whole question: Whom are you protecting? Obviously if it is easier financially and commercially to bring in this machinery, it means that possibly some Canadian firms which might be in more or less the same business areas will find themselves at a disadvantage. However, if this is of "a class or kind"—to recall a famous phrase that Senator Hayden will remember—if this machinery is of a class or kind made in Canada, then a rebate is available to those who may be affected. I often wonder why this is necessary. Why could there not be a positive rather than a negative correction of any disadvantages? But that is the way it has been done for years.

There are some relieving clauses; that is, relieving certain items from duty, such as cameras which are for use in the film industry. Here is a clear case where it has been decided that it would be to the advantage of a Canadian industry to reduce import duties. This does not very often happen, and there are some in business who think it should happen more often. The problem here, of course, is our cost of production. Any con-