

of firms in the United States where there is a much bigger market. It is only a question of reducing the duty from 17.5 per cent, which would be the most favoured nation tariff applicable to the United States, to free entry. To that extent I am sure that that minor price concession which may be available to the agricultural industry in Canada would be most appreciated.

Then we have the general items covering aircraft No. 44047-1. Those are aircraft engines when imported for use in the equipment of aircraft when of types or sizes not made in Canada on or after July 1, 1979. They will come in free under the British preferential tariff. Some are free under the most favoured nation tariff, but usually it is 7.5 per cent. General tariff is 27.5 per cent.

Over 20 years I think I have seen a similar paragraph in every blessed budget in one way or the other. I do not know why this "rolling date" is used. I have asked ministers of finance for an answer on that point. They have said that is the way it has been done all the time. Presumably the habit has become jelled into acceptable practice, and there it is.

Many of my colleagues will deal with fruits and vegetables. There are certainly other involved subjects that I know some of my colleagues will talk about. Therefore, Mr. Speaker, we would prefer to see a wide ranging debate at this stage. We have not had a good debate on these matters for some time, and once we get into the committee of the whole the rules of relevancy will restrict us to the particular subject at hand.

There is no way hon. members will talk about textiles and shoes when we are dealing with canned pork. There again, some of my agricultural colleagues will take up that particular item to see why the change was made, sort of halfway between what it was. Prior to February 20, 1973, the most favoured nation tariff for canned pork and canned hams was 25 per cent and 20 per cent respectively. These items mostly came in from the United States, but there would be some coming in from Poland and other countries. The British preferential tariff was a flat 15 per cent across the board. Now the most favoured nation tariff as of the effective date will be 15 per cent. It had been lowered to 10 per cent. So there is a sort of halfway house. The minister did allude to that in his remarks, but frankly not enough. We will examine these at greater length.

In due course this bill will pass. I do not know that there are any particular items which anyone would find that objectionable at this time. But on the other hand I am sure many colleagues in the House will discuss with the minister more of what he did not include in this particular bill than those things which he did include in the bill.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, in some ways nothing better illustrates the problem of Canada and the problem of Canadian tariffs than the recent conflict between the federal government and the government of the province of Quebec regarding the use of the sales tax rebate.

The sales tax rebate by the federal government was designed to be non-discriminatory so that it would apply to everything whether the item was imported or domestic. Quebec has quite

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obviously opted for protectionism by the choice of its plan. This is very significant. My purpose in raising this question is not to cast blame on Quebec or to be critical of the position that Quebec has taken, but rather to point out the importance of this whole matter of tariffs and protection to the future of Canada. In fact the issue in Quebec may be decided more on the question of creating employment through tariff protection than on the language issue which all of us thought was so important. This is becoming quite clear. It is also quite clear that the Quebec government has the support not only of those who voted for that particular government but also the support of the Liberals in Quebec. It has the support of almost everyone in Quebec on the protectionist stance it has taken. By making its sales tax rebate proposals selective it has singled out those items which were of particular concern to the province of Quebec. It is a lesson for Canada.

● (1602)

Canadian policies in the past were reaping a whirlwind. Canadian policy in the past did not concentrate on the manufacturing industry, although for brief periods in our history there was that kind of concentration. When that concentration did take place, nothing was done to make it permanent or to stabilize it.

Canadian policy has been directed toward the export of raw materials, not toward secondary industry and labour intensive industry. While that policy may have made some sense in the initial stages of the development of Canada, in that we had a large territory with a relatively small population, it is quite clear that as our population grew, particularly following World War II, this policy of concentrating on our resource industries proved to be a disaster. Not only was it a disaster in the sense that it did not provide jobs, but even the resources themselves were no longer in demand.

We used to think that Canada had a monopoly on nickel. However, one of the greatest problems we face today in terms of employment is in the nickel mines of Canada. We no longer have a monopoly on anything. In many cases, because of foolish policies, we have taken the best sources of supplies and left ourselves with secondary or expensive sources.

There are a whole series of towns and districts in this country that bear testimony to the consequence of depending on non-renewable resource extraction. You can list the towns where, when the resource was defeated, the town was finished. The people moved elsewhere or changed the skills they had acquired in the resource-related industry to other industries.

We have to look at the attitude we are going to take toward tariff protection in the future. We are going into the GATT negotiations without any clear notion of what we want to be as a country. We have no clear notion of what is good for us in the short run or good for us in the long run. We are going in with our heads in the clouds, with a kind of mush-ball policy that there is something virtuous about free trade, as though there was free trade and as though GATT should be the first approach rather than the second. We know from our experience in Canada that it is not the tariff arrangement that is the