

Customs Tariff

necessary to follow a policy of full employment if we are to take advantage of some of the opportunities which may be opened up by wider trading opportunities.

In summary, it is important that we do not overestimate the gains and concessions which have been achieved through the Kennedy round. Although we have approved them, it would be a mistake to suggest that in themselves they provide any fundamental solution to the difficulties facing the Canadian economy. Furthermore, we are bound to give consideration to the policy implications of this measure, namely, the redirection of our trade, foreign ownership of our industry, the necessity for the rationalization of industry and the necessity for the revision of our monetary policy.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I think that in the past four years no measure passed by this house has so profoundly affected the livelihood of Canadians as will this bill which has been proffered by the government for our approval at the present time. I do not think any piece of legislation has received more publicity over the months than this bill, nor has any standing committee of the house been engaged more earnestly in the consideration of representations. This emphasizes the genuine importance of the legislation.

• (3:50 p.m.)

I must pay special tribute to the negotiators on the Canadian team at Geneva who worked tirelessly for many years, but I think they will be the first to admit that in many ways this legislation may be obsolete even before it is implemented. I say this because of the fact that the trading patterns of the world are constantly changing, perhaps faster in the present day and age than ever before in the histories of the nations involved in the Kennedy round negotiations. I think this must be taken into consideration by Canada, as I am certain it is by other nations, in looking at the terms and provisions of the bill before us.

For many of our Canadian industries and for agriculture in particular, any talk or discussion about changing tariffs is a matter of very real concern. Many of our industries are directly dependent on protection for survival because of the manner in which government has run the affairs of the nation over the years. Many industries have expanded under

the climate provided for them. Now they suddenly find that the very government regulations permitting their existence may be changed by the stroke of a pen.

Last spring, Mr. Speaker, there was merely an intimation by a cabinet minister that certain provisions could be changed and the normal pattern of an agricultural industry disrupted. I am speaking of the Canadian greenhouse industry. That was enough to change the credit rating of particular companies with certain banks, and in the end some found it impossible to survive and went into bankruptcy and others were very hard pressed. Over the past few months we have seen the government act by the implementation of additional duties and the application of non-tariff barriers to prevent the inflow of free trade in certain commodities into Canada in an attempt to stave off bankruptcy for some industries.

There is no doubt that the aim and object of those negotiating at Geneva, to encourage freer trade among nations, were advanced with a definite goal and idea in mind, but we here in Canada must take a hard look at the facts as we see them. Will Canada and its industries in their present form survive under a change in the tariff items, which are to be progressively lowered over the next five years? Or will there be a drastic upheaval in Canada? We are told, and perhaps rightly so, that by the genuine desire of all nations to lower tariffs and permit a free exchange of goods Canada will directly profit. A classic example is the fact that this will open up the large market to the south of us for an expansion in our exports.

A previous speaker has pointed out the fact, and quite rightly so, that although there is no tariff on farm machinery so far as Canada is concerned this has not expanded the Canadian industry. As a matter of fact, it appears to me that whenever an action like this is taken we see a very rapid expansion in the use of our Canadian market by the country to the south of us and a consequent deterioration of secondary and primary production here in Canada.

I give another illustration. There is no duty on the importation of soybeans into this country, with the direct result that our market depends entirely on prices established in another country. If those prices were not pegged at a minimum level by government action in the other country, prices here could drop to a point where it would be absolutely