

Customs Tariff

product, they were losing business to people in Ontario who could bring the same thing in from the United States through Windsor or Niagara Falls at a different rate. That is not right, Mr. Speaker.

The Department of Industry, Trade and Commerce set up a machinery board to give remissions on duty and we have been having difficulties with it. I could speak for four hours on the misapplication of the act. A duty is charged on a product because someone says they are manufacturing it in Canada but the board does not check back later to see whether they are still manufacturing it. Sometimes it is only a few months before the manufacturer ceases production but the duty is still applicable. This is the sort of nonsense that goes on.

I am just appalled at the lack of co-operation and information given to members of parliament in regard to the GATT negotiations. Surely at least one of the recent ministers of finance must have felt that it was important to have the support of this House on such a complicated matter. If members were well briefed they could talk to businessmen in their communities about the GATT. We are all invited to speak to business seminars around the country—at least members of my party are. I do not know about members on the other side; people do not want to hear from Liberals. There are no politics in tariffs. We should be able to explain our negotiating position to the business world, but all that the last four ministers of finance have given us is mumbo-jumbo.

When Mr. Grey went to Geneva, a cocktail party was given for him. He was reckoned to be the greatest thing since sliced bread. I think he turned out to be the best civil servant for skiing in the whole country. The government has lost the opportunity to inform the business community where we stand on GATT. Every time I go back to my constituency I am confronted by businessmen asking about what is going on at the negotiations.

When I was a boy a company in my area made vacuum cleaners. Not one vacuum cleaner is manufactured in Canada today. That factory in Hamilton employed 1,500 people. When we think of the number of houses built in the last 25 or 30 years, the broadloom used in those houses, in factories and offices, we must ask why not one vacuum cleaner is manufactured in Canada today. The last company to manufacture them closed last spring because its American parent underbid on a large order to a chain outlet in Canada. That is what is happening.

Business people say that when they talk to officials in Ottawa they are told that one of the casualties of the GATT negotiations will be the electrical appliance business. Yet we have a trade deficit of \$970 million and what are we doing about it?

Then there is the matter of communications equipment. Even with all the crying the NDP does about Northern Telecom, there is a deficit in communications equipment of \$1,200 million. There is hardly any group of products in which we do not have a sizeable trade deficit. I think the smallest deficit is about \$50 million for railway equipment. Everything else is in the hundreds of millions or billions of dollars. To me

[Mr. Kempling.]

that indicates a market. If you talk to any businessman about business he will ask what the market is, and if you say there is a billion dollar market he will get pretty excited.

I get pretty discouraged, Mr. Speaker, about our one million unemployed when I think of our negotiators, many of whom have had no business experience whatsoever. If they have a callus on their hand it must have been transplanted. Officials in the Department of Finance tell us that this industry must go and that industry must go. All they can talk about is economies of scale. That has been the buzz word. In the Department of Industry, Trade and Commerce the buzz word is "rationalization"—you have to rationalize everything.

● (2032)

In 1972 the minister of industry, trade and commerce of the day was talking about the sectoral approach. In 1973, 1974, 1975, 1976, 1977 and the other day we heard it again. That period encompasses four ministers and six deputy ministers, and we are still studying the sectoral approach to our industry. My God, they are negotiating in Geneva on a sectoral approach—

An hon. Member: It is obscene.

Mr. Kempling: It is obscene, but not in the way the hon. member is suggesting. That is the difficulty that we have. We have people who are making these decisions at a high level in the bureaucracy who really do not know. I have sat on boards of directors and I have sat with businessmen during the past two or three years while the GATT negotiations have been heating up. These negotiations are about three years behind time; they are about three years late from when they should have been completed.

I have listened to these businessmen and they have said that they do not know whether to expand their plants or not. They have said that they have been confronted by a terrible dilemma by listening to the President of the Treasury Board (Mr. Andras) when he suggested last summer in Toronto that if people did not get off their butts and invest that perhaps the government would invest in industry. A little later someone said to me: "I heard the Prime Minister tell us that the difficulty with Canadians is that we are spending too much." Then the Minister of Finance came along and told us to spend more in his last budget. At the same time these negotiations are continuing in Geneva. People do not know whether to expand, to contract, to go into business, to buy more machinery, or to wait until the GATT negotiations are completed, if they are ever completed. They just do not know what to do. That is all part of the floating and bobbing and weaving that is going on in our economy today. I think it is a shame that we cannot have more precise information.

We must consider as well the non-tariff barriers which we know are a difficulty in Geneva. This time bomb trade I was talking about earlier is a sort of non-tariff barrier. There are others and we know they are all very difficult. Mr. Grey said that there were not too many difficulties with the tariffs per se, the difficulties were with the non-tariff barriers. We can see a