

*Customs Tariff (No. 2)*

correlate the need of the consumer and the need of the producer so that neither suffers the extremes of price which makes the situation difficult for both.

For six consecutive years the potato industry in eastern Canada had successive capital losses with little, if any, recognition of their position. In spite of that, duties are to be withdrawn from agricultural products. Canada has been oblivious to the policies of other countries which are concerned about their food supply. The European Economic Community has chosen to support food production with the certainty their farmers will be at work and the bins in their grocery stores will be filled with their own products. If perchance there is a surplus of a commodity such as potatoes, onions, apple juice concentrates or apples, they will find ways and means to remove it from the markets in which it is surplus and dump it in world markets at whatever price they can get.

It is not uncommon for an Atlantic potato producer to find that potatoes are delivered in central American and South American areas at prices which will not pay for the cost of containers and freight, let alone any return for production costs. This is the competition which has put the potato industry and other industries throughout Canada in a very serious economic position, without any recognition of the problem by the government of Canada which continues its indolence and neglect of agriculture.

We find ourselves in another position today with regard to the management of agriculture and agricultural products, namely, the vegetable protein oil structure. This government has imposed upon Canada restrictions with regard to the export of proteins. It does not understand that by this procedure it has virtually eliminated from Canada the production of vegetable oils. For cooking French fries, or packaged and cooked foods, oil is required. Oil cannot be imported into Canada because we have not placed ourselves in a good enough negotiating position. Oil cannot be produced in Canada. While we have the protein meal in a position where it cannot be exported, at the same time we have filled the warehouses of the protein processors to the point where they have had to shut down and are no longer producing vegetable oil. This problem is going to mushroom as a result of total lack of understanding of an agricultural problem.

I commend the government for its foresight in saying we shall have enough protein to look after the animal feeds, but I condemn them for failing to see the side effects and failing to understand that in the process of controlling protein they have virtually eliminated the production of vegetable oil. The number of foods for which prices will rise cannot be counted upon one's fingers and toes as you go over the list. All oil-cooked foods and all foods containing oil—margarine in particular—will be in extremely tight supply. This is a tragic situation. It is neglect of one problem and ignorance of another. The consumer will again be the one who suffers.

We are part of an international food structure in which the balance of world food is pretty fine. When it gets out of balance by 1 or 2 per cent, the price of a product may tumble on a world basis. We then find ourselves in a position where if for one reason or another any country allows its food production to decrease, it may cause, on the reverse trend, an increase in price which causes the con-

sumer to suffer. Because of its failure to recognize the necessity of Canadian production and fair prices for the consumer, Canada may be the country hardest hit in the world in relation to prices our consumers pay and diminished returns for our farmers. This list contains items which are shipped across the continent. If the producer in the eastern part of Canada received encouragement to produce cabbage, for example, which comes from as far west as California, and if he could recover the cost of packaging and freight, he would have an adequate income. However, there is no encouragement, no protection and no hope he may share in the early market as well as participate in the late one. Some cabbage can be sold early and the balance can be properly stored.

We have an opportunity to increase agricultural production in Canada. We should not allow it to shrivel and shrink. The Canadian Horticultural Council has developed a position with regard to future trading operations. It is contained in a book comparable in size to the one I hold in my hand. I wonder if government members have read it. Do they know the consequences to agriculture if they do not recognize the duty requirements of this industry? Have they stopped to think of the multiplier effect that agriculture generates, because the farmer is one of the freest spenders in our society? The farmer is one of the most free-spending elements in our economy. He will build a new barn, buy a new tractor or expand his operations whenever he has cash to spare. His money is not salted away in bonds or investments but is expended in ways which provide opportunities for employment in production either on the farm or in the factory. Many Canadians are without jobs today because farmers have no confidence in the policies of the present government, whether they are engaged in the production of wheat, fruit or vegetables. They know they will be left at the mercy of world markets to suffer along with the consumer at one time or another.

● (1620)

I suggest again, as I did last night, that Canada should immediately attempt to negotiate with the United States in connection with our protein shortage. We should try to negotiate an agreement under which we would obtain protein from the United States in return for proteins ordinarily marketed by ourselves. There has been a flow of protein across the border from coast to coast. The two embargoes have disrupted the entire protein trade and brought the vegetable oil industry in this country virtually to a standstill. The United States has not chosen to issue permits for export of the edible oils we have traditionally bought. And here we are, in a position where we shall never be able to negotiate with respect to agricultural tariffs because we have removed them all—we have taken them off beef, pork, meat, fruit, and so on. By so doing we have endangered agricultural production and we have certainly endangered the consumer.

I plead with the minister to reconsider his position, to take agriculture seriously and learn to understand that there are people in the Department of Agriculture who know what they are talking about. If the Minister of Finance (Mr. Turner) and the Minister of Agriculture (Mr. Whelan) would listen to the arguments in favour of imposing seasonal duties or year-round duties in response