

Income Tax

Board, the rationalization of their recommendations, in a book of several hundred pages, ends up on a member's desk at the time the Canadian negotiators are supposed to have tabled their basis for negotiation at GATT. That is like this government in many ways. Once again it has closed the door after the horse has been stolen. Perhaps one might say it has closed the door in the face of a very important industry in this country.

● (1532)

There have already been representations made to government. There has been no publicity on these recommendations but they have been firm, meaningful, and based on the economic requirements of the agricultural industry.

This government has been very generous in its international trade negotiations as it dealt away agricultural security in Canada on behalf of who knows what. I guess I am being repetitive for the fifth year in a row in this House. I make no apology. There has been no acknowledgment of the significance of agriculture to our economy in this budget, in a mini-budget, in a real budget, or in any legislation that the government has introduced since I have had the privilege of sitting in this House.

Perhaps the Minister of Finance, the Minister of Industry, Trade and Commerce (Mr. Horner), or some other minister of government might be interested to note that a headline in a paper this week stated that agricultural implement purchases were down by \$1 billion in 1976 and it is anticipated they will be down by more than that in 1977. That represents a lot of jobs to those in the industrial part of Canada.

This ought to ring a bell with some of those who have plants in their constituencies which produce agricultural machinery. However, it seems to fall on completely deaf ears. I mention that because it relates to the tremendous effect that the agricultural industry has upon the total economy of Canada.

I challenge the Minister of Finance, or any of his predecessors or successors, to deny the fact that as you follow the curve of Canadian prosperity in general, you may have a six months lag or six months lead time, but it is basically parallel to the agricultural income that our farmers enjoy.

When our farmers have a declining income, our national economy declines. You can predict the one by the other. Any minister of finance who cannot recognize this when he is submitting a budget is doing a great disservice to the nation. Any minister of finance who allows negotiators to influence him on reductions in duty which one budget after another have introduced into this country, is really defeating himself as he introduces his budget. When will this consumer oriented government begin to protect consumers, workers, and farmers as a total society in this country, by concrete and constructive measures on behalf of all three, because they are a parallel in need and in trend?

Again let me say a billion dollars of agricultural implement expenditures represents a lot of work, a lot of income tax, a lot of revenue, and it contributes to society.

[Mr. McCain.]

I have not read this tariff report which reached my desk yesterday. I just did not have time to read hundreds of pages and intelligently report on it. However, from information provided to me before the report was on my desk, I can tell hon. members what is needed, in addition to what is recommended in that report.

The first thing the Government of Canada should do before negotiating, yielding, or giving anything further in the field of agriculture is examine the tariff walls of our GATT partners as they relate to agriculture and fish products.

The duties that are levied against products going from Canada to the United States are much higher than virtually all of the duties levied by Canada on agricultural products coming north from the United States. There is a number one comparison. If we want to put agricultural products into the European Economic Community, there has to be a famine of a particular product before we can reach their market. The form of the Economic Community strangled agricultural trade between the North American market, both the United States and Canada, and the European Economic Community, saving only those items which they could not produce for themselves or those items which may, in a particular year, be short in their markets, as were potatoes last year and as apples will be this year. I submit there will be some regulation made whereby in the case of a shortage of apples in the European Economic Community, North America can supply them with what they require in a year of scarcity, but only in terms of scarcity.

Let us examine something else. Again I am being repetitive because we are at the door of GATT negotiations. I mentioned these last spring when I spoke in this House. I mention them again. I hope the minister will take note.

Our partners in GATT have built-in protections for industries which are damaged. In the United States it is by legislation. Any tariff structure which may be established is protected by that, with a clause which disallows American negotiators to permit an influx of a product to damage that industry in the United States. That applies whether it be wool, potatoes, apples or any agricultural product, or virtually any other product produced in the United States.

We have not provided our negotiators or our country with a comfortable safeguard. We are protected only by Section 19 of our agreement with GATT. It states that if we do impose something, and we may impose additional duty on a particular product, we in turn must give concessions on another product. Therefore we rob Peter to pay Paul every time we close the door on a particular product which is hurting our industry in Canada.

As we go to GATT this year we could by all means give them the legislative strength so that our trading partners may understand we want and need and will take part of their production, but we do not want and will not take any of their production which is going to be detrimental to our agricultural structure.

Some hon. Members: Hear, hear!