

Customs Tariff (No. 2)

House a new bill that substantially, in a planned and organized way, will reduce tariffs across the board in this country. That would assist the Canadian people generally and in particular our primary producers.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, during the progress of this debate the agriculture problem has probably been discussed more thoroughly than at any time this session. It seems that the Government of Canada has chosen to apply principles which might work in regards to commodities other than those of agriculture, to agricultural commodities. It expects those principles to work in agriculture. Let us examine from an eastern point of view at least one commodity and the effect which both the producer and the consumer over the last few years have had on that commodity.

The potato industry has operated under an adverse tariff structure. It has dealt with an export market under terms of adversity as a result of economic competition. It has dealt with our neighbour to the south on inequitable terms. I am speaking about our ability to export. In general, we have suffered because of our geography. The Minister of Veterans Affairs (Mr. MacDonald) is familiar with the adversities we have experienced as a result of various trade problems, which include transportation. In general, the industry has managed to stagger along despite these problems.

Each time representations have been made to the government about obtaining an equitable trading position for the potato industry, the government of the day has said it is impossible for us to trade in this regard because we barter from a position of weakness. If we bartered from a position of weakness with respect to potatoes prior to today, I can only say we shall be bartering from a position of futility from here on because we now have no leverage to apply in international negotiations.

I should like to bring to the government's attention the fact that in agriculture we indeed are in a strong bargaining position in dealing with our trading partners, particularly our partner to the south. Statistics show that in the first 11 months of 1972 we imported \$268,153,000 worth of agricultural products. In the corresponding 11 months of 1971 we imported \$240,138,000 worth of such products. In that 12-month period we had an increase of \$28 million in agricultural imports.

It is equally interesting to note some of the products which we imported during those periods. We imported blueberries, berries, cherries, cranberries, grapes, lemons, potatoes, peaches, pears and strawberries—all items which can be produced in Canada in much larger quantities than at present. As well, we imported asparagus, beans, broccoli, turnips, cauliflower, celery, corn and cucumber—again, items which farmers in the past produced in much greater quantities than they are producing at the moment.

Although the population of Canada is growing, our interest in agriculture is declining. In some instances we are witnessing a static or declining production of agricultural commodities. It is time the government of Canada, particularly the government sitting to your right, Sir, took a hard, serious look at the effects which lack of government policies and consideration have had on both consum-

er and producer. Let us not underestimate the cost to the consumer of the do-nothing policy of this government.

In 1971, the government of the United States in its wisdom chose to apply a surtax on imports of all products, including food. This was done on August 15. On August 30 a delegation arrived in Ottawa to discuss the consequences of that move for the potato industry of eastern Canada. That attempt was made with the support of the then minister of agriculture of P.E.I. The industry wanted some consideration. We were told that there would be an adjustment if there were any adverse consequences for the industry. In some nebulous, unforeseeable, indefinable way the potato industry would come out of its problems. But we did not receive any answers. We appeared before those people at a later date with concrete proposals for exports which would relieve the surplus of potatoes in the Canadian market. When we met with them it was suggested that the then minister of consumer and corporate affairs would not dare to let the price go up. We were met with the suggestion that too much profit might accrue to somebody.

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We were met with everything including a variety of statistics that undeniably showed Canada had a surplus of potatoes, and an answer that indicated the then minister of agriculture and the government of the day had no intention of alleviating a very serious economic problem in the potato industry on a national basis. Neither would they prohibit the importation of potatoes from other areas, or dispose of the surplus that existed in Canada. This is a do-nothing policy, a blind, stubborn position which has been nothing but detrimental to Canada as a whole.

Eventually they did come to the conclusion the potato industry had to have some assistance on a national basis. However, this only happened in April when the bins that were still almost full were rotting. As one member said earlier, the smell of rotting food pervaded that area of our province. Salvage was undertaken, but the producer was left holding the bag with a massive capital loss. What was the consequence? Instead of a continual increase in the production of potatoes in Canada as a result of the loss in 1971 there was a substantial reduction in production for 1972. Since the 1972 crop the taxpayer has paid through the nose. The crop was too small to begin with, partly because of weather, acreage and the yield in the over-all picture. However, when it finished at one of the earliest dates in history at the highest average price on record, we then were dependent upon a foreign source of food.

The removal of duties encourages foreign sources of food. When you become dependent on a foreign source for any food, you are at the mercy of the foreign merchants. That is the position the Canadian consumer has been in throughout this season, and not only with regard to potatoes. Canada has come nowhere near its capacity for producing fruits and vegetables in Ontario, Quebec and in the garden areas east and west. There is absolutely no protection in this country from the dumping of surpluses from any part of the world. Agriculture pays the shot except when there is a world shortage, and then it is the consumer. It is time a balance was struck between agriculture and the consumer. It should be government policy. The removal of duty is not the answer. This government does not understand the agricultural problem. It cannot