

December, 1972, was not an isolated month. On Tuesday, July 10, Statistics Canada reported that fresh vegetable prices rose more than 8.7 per cent in the previous month. The price of fresh fruits jumped by 5.1 per cent. The prediction is that if the consumer price index continues to rise at this rate, 1973 will see the highest inflation rise in more than 30 years. This was pointed out in the July 10 edition of the *Citizen*. I would like to know now, do the Minister of Finance and the Minister of Agriculture still believe that reducing tariffs will lower the price of food for the Canadian consumer? There is much evidence that the opposite is true. So in effect the finance minister has helped destroy the Canadian market for our horticultural products and at the same time has forced up the prices of imported goods. No one is deriving any benefits from the provisions of this bill.

I wonder if the Minister of Finance really knows the importance of this industry to Canada? The total value of horticultural production in Canada in 1971 was about \$325.4 million. This industry provides employment to many thousands of workers and in the aggregate makes a very significant contribution to our economy. I might add that this is an industry where the profit margin is very low. The fact is that some horticultural industries in Canada are only marginally viable. This tariff cut has meant that for some it is no longer practical to continue in business. In a letter written to the Minister of Finance on February 28, 1973, the Canadian Horticultural Council outlined these contributions of horticulture to the Canadian economy and then stated:

We are convinced that these contributions are worth maintaining and that our industry should not be sacrificed to short-term—perhaps even short-sighted (No, not “perhaps” at all! Definitely short-sighted)—benefits presumed to attend tariff cuts on competitive imported produce.

The council went on to say that unless certain adjustments were made in the proposed tariff reduction, our domestic fruits and vegetables would lose the necessary protection in our marketing season. The letter then outlined the desired adjustments in the budget measures. I shall not repeat them here. Suffice it to say the minister did not pay any attention to the Canadian Horticultural Council but went right ahead with these tariff cuts. This appears to be a blatant disregard of the interests of the horticultural industry in Canada and the interests of the Canadian consumer.

I appreciate the minister's action with regard to British Columbia cherries and greenhouse tomatoes. Last Saturday I picked up a couple of tomatoes, they were not very large, and handed them to the clerk to be weighed. There was a gentleman who was weighing and marking them. I watched as he marked the price—93 cents. He saw me watching and said, “don't say anything; I know what it's all about.” Anyway, I asked the question, “Where do these tomatoes come from?” He said, “I believe they come from Arkansas.” So there they were, 69 cents a pound. I don't know where that fits in, but it indicates consumers are not getting too much of a bargain.

● (1630)

The minister's argument in favour of non-consultative, unilateral action does not stand up to reason. He said he did not have time in which to consult. It appears to me

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that the tariff cuts were made on the spur of the moment, overnight so to speak, and that the minister did not consult anyone other than possibly the Minister of Agriculture who certainly would not have had time to consult his department. If, on the other hand, the minister did consult his department and the Minister of Agriculture and his many and varied advisers and assistants—I emphasize the word “varied”—why did he not have time to consult the various groups which would be affected by these tariff reductions?

I conclude by repeating a statement from the letter sent by the Horticultural Council of Canada to the Minister of Finance:

To deliberately place industries in jeopardy and to export badly needed jobs to foreign countries cannot be acceptable policies, even on a short-term basis.

Our growth and development for the future cannot be linked with a gradual phasing out of labour-intensive industries and eventual total reliance on the sale of basic resources and raw materials. This will totally negate progress and growth.

I urge the minister to heed these warnings.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, although the bill before us may seem like a small bill brought in late in the session, there is no measure which is of greater concern to the agriculture industry in Canada since it affects the whole issue of tariffs. Although it covers a wide range of imports, I shall not attempt to deal with them all; my hon. friends will be speaking on many other aspects of the measure. I shall confine my comments to those which affect agriculture, specifically the growing of fruits and vegetables in Canada.

One of the reasons this legislation is of such great concern to producers of agricultural products is historical in nature; the whole industry in Canada was based on what I might call considerations of political expediency. As a new country, one of our prime concerns was, for the sake of a measure of national independence, to encourage secondary industry and the production of food. In pursuance of this objective, prior to 1939 various steps were progressively taken to impose tariffs on a number of commodities in order to encourage the production of fruits and vegetables in this country. As a result, there was extensive development in this sector of the industry. Expensive and complicated greenhouse equipment was set up in various parts of Canada, mainly in Ontario and British Columbia, production of fruits and vegetables greatly increased. Peach and apple orchards were planted extensively.

Along with this, provincial agricultural colleges developed in their students special skills making it possible to grow crops which require a good deal of technical knowledge, for example, tobacco, sugar beet, celery and the tender fruits. All this was made possible because government had protected these activities to a degree which made it profitable to grow such fruits and vegetables in a country whose climate was northern rather than temperate. We were thus able to compete with the United States and other countries where the climate works more to the advantage of growers.

Over the years the government has increasingly taken the position that there should be free trade among nations and specific steps have been taken to lower tariffs on the