

Customs Tariff (No. 2)

tions outside our country. Last year Canada became a net importer of agricultural products, for the first time in this country's history. We are selling less on world markets and importing more. It is sad to learn that we cannot supply all our own protein feeds and that we would be starving for proteins if we could not import them from the U.S.A. The situation is particularly severe, as there are ever fewer farmers.

Agriculture accounts for nearly one third of this country's economic product. When exported, agricultural commodities earn much needed foreign exchange, which is necessary for our high standard of living. Yet the number of farmers is declining. In 1961 there were 480,000 farmers; five years later there were 431,000 in this country. There was a decline of 10,000 farmers per year during that period. In 1970 the labour force on farms was around 500,000, or 170,000 less than in 1961. Technology and machinery have compounded this problem by replacing labour. Returns on agriculture run at over \$400 million per year. We must understand what is happening. We are becoming net importers of goods, particularly of agricultural products. I make these statements to indicate how important the agricultural industry is and how scientific the farmer has become.

Today, one farmer feeds 40 people; at the turn of the century he fed five. Although we buy and sell on the markets of the world, our dollar is devalued to the same level as the American dollar.

The minister said that he was all for lowering the cost of living. Everybody is for motherhood, but I agree with him. He wants to reduce the price of food for Canadians. Our Canadian producers will have to lower their prices if they are to remain competitive. This is as true now as it has been in the past.

What has happened is history. Food prices have gone ever higher, and the consumer must pay ever more. I recall when I was operating a dairy farm that a good deal of sugar beet pulp was grown in southwestern Ontario. I will remember the people in the sugar beet industry saying to the government over and over again, "We are in trouble." Apparently cane sugar was coming to Toronto and other parts of the province under some sort of quota system. Our growers could not compete with the lower prices made possible by cheaper labour in foreign countries. Sugar cane cost less to produce than our sugar beet products had cost. Our sugar beet growers were promised about \$700,000, I believe, to stay in business. Yet all at once this offer was withdrawn and the industry went down the drain. Now I understand that the industry is to be restored, at an approximate cost of \$50 million. That shows the folly of tinkering with something you do not understand. Farmers across Ontario, even farmers in the cattle business, are looking elsewhere for the by-products of this industry, and paying more for them.

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The government now talks about reopening this industry. It is going to be difficult and time consuming. It will probably take five to 10 years. I could cite many other industries in the agriculture field, but I will only mention one, the peach industry in the Niagara district, something I know a little about.

[Mr. Rynard.]

The tariff on peaches coming into Canada from the United States is 63 cents a case; going from Canada to the United States it is \$1.45 a case. I have only mentioned the United States, but we have become a dumping ground for countries all over the world. I can mention Australia, South Africa, Austria any many others. The same is true of other fruit. Carried to its logical conclusion, we should not produce any fruit or vegetables; we would import them all. Then would come the hold-up. It would be like the price of sugar—up it would go. This may be the philosophy of the Liberal party.

When Senator Harry Hayes was minister of Agriculture, he said Canada could not compete on even terms or be competitive with the United States, for example. In his opening address the minister said he would make us more competitive. So what is the Liberal Party's philosophy? I wonder about it because Harry was down to earth and very earthy in his statements. He gave the example of a cow with a baby calf on Parliament Hill on a cold winter day, 20 degrees below. He said the cow and calf had to be put into a very warm stable. He asked how we could produce that cow and calf as cheaply as someone in Arkansas where the sun always shines and a stable is not required. There was lot in his philosophy.

It is difficult for our farmers to be competitive with a short growing season and a late spring. More buildings are required to house livestock. Fruit and vegetables in the south are ready for market earlier than in Canada. They ship their surplus fruit and vegetables here when ours is beginning to come on the market. The farmer cannot compete unless he is subsidized. At the rate farms are being abandoned, I suggest the Minister of Finance (Mr. Turner) give some thought to this. Food would be cheaper if the farmer received a subsidy. He could become competitive in the world market. How can he compete in a northern climate with a late spring? It cannot be done.

I refer back to Senator Harry Hayes; maybe the minister should have a talk with him. The point I am trying to make is that if we are going to preserve a viable agricultural industry, now is the time to do it. There is a world shortage of food. We should think about subsidizing the farmer so he can become competitive in world markets. The minister realizes this. He is broadminded and is given to making changes. At the suggestion of our party he made changes at other times. He realizes the farmer is in a tight corner. The minister has travelled across Canada. He is a good Canadian. He surely realizes he has to give help. If he is going to bring cheaper food to this northern area.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I wish to confine my remarks tonight to the considerations and implications of this customs tariff bill with regard to Canada's beef cattle industry. I had the privilege of doing this last night in the feed grains debate. Tonight I will make only a few remarks about the cattle industry as this tariff bill may affect it.

The first tariff item under Schedule B, item 501-1, is cattle. It is followed by various other livestock and meat items. May I first briefly summarize our present cattle situation as it is affected by the tariffs in Canada today. Canada is a minor net importer of beef, importing roughly 3 to 5 per cent of our per capita consumption. However, now we are definitely a net exporter of feeder cattle. All of