

Customs Tariff (No. 2)

Surely the minister does not believe that the in-season tariff is of sufficient duration and sufficiently high to protect the price of the domestic product. Surely he does not believe that this nation can bounce tariffs on and off like a yo-yo, and can still bargain at the next round of trade and tariff negotiations from a position of strength. Surely the minister does not believe that he can expect co-operation from the leaders of the fruit and vegetable industry when he or representatives of this government do not even have the courtesy to consult them and explain the necessity for such tariff reductions.

This morning, Mr. Speaker, I received a telephone call from a very large fruit producer in my riding. He asked me why the government exposed the fruit industry in this manner and, further, whether the federal government was really interested in preserving the Niagara fruit industry. I could not answer. But, Sir, I can advise the hon. Minister of Agriculture and this government that if these proposals relating to tariff reductions on imported fruits and vegetables are brought into force, it will mean chaos in the fruit industry in the Niagara peninsula and the other fruit and vegetable growing areas of Canada and an undoing of what the Ontario provincial and municipal governments are trying to do to preserve this most essential and important industry.

I do not accept the proposition that imports of fresh fruits, whatever the price, do not have an effect on the price structure of the domestic product. I do not accept the suggestion that the tariff reduction on canned fruits, which amounts to about two cents on a 14 ounce tin—the very profit margin of our domestic processor—will be realized at the consumer level. During the past 16 months, two of the six major canners in my area have ceased to process tender fruits because of a cheaper offshore product. When the remaining four cease production, and the fresh fruit industry has gone and we are totally dependent on imported fresh and canned fruits, then watch the price to Canadian consumers and take note of our position of strength at the trade and tariff bargaining table: the first will have skyrocketed, and the second will have evaporated.

Mr. Speaker, I cannot be happy with these proposals for tariff reduction. I urge this government to reconsider and to co-operate with the provincial and municipal governments of Ontario and British Columbia to maintain and promote a healthy Canadian fruit and vegetable industry. Anything less means trouble ahead for our own industry and higher prices for the Canadian consumer.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I will be very brief as I have to catch a plane in a few minutes, but I want to say a few words on the bill before us. I cannot help but start off in rather light vein, recalling the comments of the hon. member for Winnipeg North Centre (Mr. Knowles) and the government House leader (Mr. MacEachen) on conflict of interest today. I hope that legislation will soon be forthcoming I notice in the tariff bill before us that there is a possible conflict of interest. On page 9 of the bill, in schedule B there is an item that reduces the tariff to zero for the most-favoured-nation and for the British preferential tariffs. I refer to the item dealing with bananas. I wonder whether the Leader of the

[Mr. Higson.]

Opposition (Mr. Stanfield) had any influence on this item, knowing his love for bananas.

• (1600)

To be serious, the bill before us will introduce selective tariff cuts with respect to a number of food items and a number of non-food items. The purpose of the bill, I take it, is to cut tariffs and costs to the Canadian consumer, to bring down food prices and other prices that consumers pay in an attempt to reduce the cost of living which has been rising during the last few years. My party supports this bill, but in a hesitant way because we do not think these cuts will accomplish very much. I say that in view of the international economic situation, inflation which is increasing at a high rate, the American and Canadian dollar falling as compared with the German mark and the currencies of other countries, and other pertinent factors. For that reason I think the immediate effect of these tariff cuts will be small indeed.

My other point is this. I hope the Minister of Finance (Mr. Turner) will monitor the effects of these tariff cuts and that when we discuss the bill in committee of the whole he will elaborate on the monitoring agency that is being established. I see that he nods his head in the affirmative. Perhaps he will tell the House whether these tariff cuts are being passed on to the consumer and whether they will benefit the producers of farm commodities. I am concerned about their effect on some primary producers of this country—the fruit growers of British Columbia, for example, and of other parts of the country. These cuts may have a negative effect on them. I hope the minister will monitor this process closely with a view to assuring the House that the benefits of the tariff cuts will be passed on to the Canadian consumer.

I wish to make one more comment. In a general way, I think we should be looking at over-all tariff reductions, across the board, particularly as we are moving towards less restraint in international trade in this country and around the world. We in western Canada have been annoyed for years because of some of our grievances. One of our long-standing grievances concerns the very high tariffs which protect industries in the golden horseshoe area around Toronto. The result is higher costs for Canadians, particularly those on the Prairies, the farmers and those who must buy farm machinery, fertilizer, and so on. They must pay artificially high prices partly because of the high tariffs. If tariffs were reduced generally, such action would benefit the Canadian consumer, the producer, the farmer and in fact all Canadians.

I commend sincerely to the Minister of Finance a speech made by the Minister of the Environment (Mr. Davis) in Vancouver. He put forward the case for reducing tariffs and eliminating protectionism in this country. He said if tariffs were reduced, the net income of Canadians would increase as prices generally in this country would be lower. This would bring great benefits to the economy. He mentioned as an example the safeguards under the auto pact and the benefits which have accrued to the people of southern Ontario.

I ask the minister to study that speech and that approach and, after he has studied it and has looked at the effects of these selective tariff cuts, to bring before the