

*Customs Tariff (No. 2)*

That is not the kind of announcement which we expect next week when the western opportunities conference gets under way. That will not end the alienation of the previous 100 years.

Some tariff reductions I support, namely, those to do with disabled persons and their equipment. I understand that reduction. I regret that there have not been reductions across the board which would benefit the Canadian economy and the consumers of Canada. We were not looking for a reduction just for one segment of the economy. We were looking for an over-all, general reduction relating to many of the goods that members from Ontario, both in the Tory and Liberal parties, would never expect to see involved in free trade but which ought to be so involved.

**Mr. Alex Patterson (Fraser Valley East):** Mr. Speaker, I am happy to participate in this debate, one of my main reasons being that I represent one of the major agricultural areas of British Columbia. In his speech on the budget on February 27 this year my colleague, the hon. member for Kent-Essex (Mr. Danforth), said that he believed a great injustice had been perpetrated by the Minister of Finance (Mr. Turner) in his budget when he indiscriminately lowered the tariff on foods coming into this country. I would support that stand today. I speak as a member who represents an area that produces a sizeable quantity of horticultural products.

My colleagues mentioned in the same debate that as recently as two years ago the government approached all the commodity groups in agriculture, requesting that they bring forward a carefully detailed study on how the tariff problem in respect of GATT might be approached in order that we might grant some concessions that would not injure the industry in return for concessions that would benefit the industry. He stated, as recorded at page 1697 of *Hansard*:

This government which issued this invitation deliberately slapped every commodity group in the face by the action taken on February 19 when it deliberately lowered the tariffs before the results of any of these studies could be made known to the government.

I realize that the Minister of Finance, when speaking the other day, indicated this is not so and that the position he had taken, as well as the action he had taken, would not jeopardize Canadian agriculture. This afternoon the hon. member for Edmonton West (Mr. Lambert) took issue with the statement of the minister. I prefer to accept the views of the hon. member for Edmonton West in this connection rather than the hopes which were expressed by the Minister of Finance.

● (1620)

I would like to refer to one such study which was disregarded by the government. The study is entitled "Position paper re GATT negotiations 1973". It was submitted to the Canadian Horticultural Council on behalf of the British Columbia vegetable industry. I think most people are aware that British Columbia is perhaps in the most vulnerable position of all of the provinces with regard to vegetable production, mainly because of its location. Its border is adjacent to the states of Washington and Idaho which together produce by far the heaviest volume of

[Mr. Knight.]

potatoes of any area in North America. As well, Washington is a major producer of most other common vegetables.

It is obvious that the imposition of seasonal tariffs on incoming products does offer a measure of protection for the domestic industry. However, the opening of the Canadian marketing period often coincides with the end of season sales in the southerly zones. These tend not only to deflate the market price structure here initially but also to establish such levels throughout much, if not all, of the domestic season. The thrust of the aforementioned position paper is that for the crops we can produce within our productive period, our home market is of first and major importance. This factor, the home market factor, is something I think the government has forgotten.

The U.S. maintains a strict import quota. Unless our government can negotiate the removal of that quota, it is only reasonable and sensible for Canada to establish a similar quota system with increased tariffs to apply to U.S. vegetables entering Canada over the quota. However, this government has displayed the fact that it is neither reasonable nor sensible by eliminating the tariffs before negotiations have ever taken place.

The British Columbia vegetable industry warned us in the study that because our domestic market is the prime outlet for our production, our existing tariffs should not be—here I quote—"bargained away". Whatever bargaining was done was between the Minister of Finance and the Minister of Agriculture (Mr. Whelan). The government gave away the tariff. It did not even wait for an opportunity to bargain at the GATT negotiations. The British Columbia vegetable industry summarizes by stating:

We take the stand that our prime market is in our own country, and this must be retained by measures that will allow the industry to grow along with other sectors of the economy. This not only precludes the practical possibility of meaningful trade concessions, but also poses the obvious need for more flexible applications of surtax provisions.

I think that statement illustrates the miserable way in which the government has failed the vegetable industry of British Columbia. The only market is the home market. By the measures outlined in this bill, the government has gone a long way in removing that market. The government, through this bill, is trying to make agriculture a scapegoat for inflation. It is in a sense saying that food prices, especially the price of fresh fruits and vegetables, are too high and that is the fault of the primary producers of the country. To my mind, the government has laid the responsibility for high food prices at the door of the primary producers. This is arbitrary and unreasonable and shows an incredible lack of knowledge on the subject.

The document I have quoted from points out that vegetable prices in Canada increased by 8.6 per cent in the month of December, 1972. The British Columbia vegetable industry maintains that this reflects a recurring development in which prices rise as the domestic supply is phased out and is replaced by imports. We in this party tried to tell the government that in February—and urged the finance minister to rescind the tariff cuts. We were derided for that stance at that time and were assured by both the Minister of Finance and the Minister of Agriculture that all was well and no one would suffer from these budget provisions. They were wrong; that is as simply as I can put it.