

limited reduction in tariff, but when it comes to food items produced by the farmers of Canada we remove it all.

The hon. member for Okanagan Boundary (Mr. Whitaker) spoke about his area, and I am sure the hon. member from the area just outside Windsor will mention others. I do not refer to the Minister of Agriculture (Mr. Whelan) from Windsor, but the hon. member for Kent-Essex (Mr. Danforth). They will point out the farmers facing farmers in their areas. Farmers in my area have formed an organization to get the tariff removed from pumps for a small irrigation project related to a creek running through the area. One type of irrigation pump being imported is tariff-free. I wish the Minister of Finance would explain to them why the government will not remove the tariff on the kind of pump they are using for their small irrigation project.

The government removes the tariff on food products on the supposed ground that it will reduce the price to the consumer. I point out that for well over 100 years farmers in western Canada—indeed, farmers all over Canada paid hundreds of thousands of extra dollars for commodities which were protected by tariffs. Tariffs protecting manufacturing and processing and secondary industries applied to a whole range of commodities that farmers used. However, when the cost of living rises and tariff cuts are sought, some of the first products with respect to which tariff reductions are sought are agricultural products.

● (1610)

Where is the general reduction of tariffs on other items which add to the farmer's costs? Where is the move to curtail high interest rates on mortgages? Where is the move to curtail tariffs which would affect items coming from the golden horseshoe area surrounding Toronto? There has been no move in that direction. The government, having adopted the concept of supply and management relating to farm products, has decided to remove tariffs from certain agricultural commodities. Let me quote from the remarks of an hon. gentleman of whom the Minister of National Revenue and the Minister of Finance are well aware. I will tell the House later who made the speech from which I am about to quote. In his speech made in the west, the hon. gentleman said:

But first let me lay a few myths to rest. Let's take the Canadian tariff, for example. Protectionism costs Canadians money—Canadians from coast to coast. Beat protectionism down and everyone benefits, Easterners and westerners alike. We are all consumers whether we live west of the Rockies or east of the Ottawa River. Do away with import duties and we will all be better off from an economic point of view.

Canadian economists are fond of saying that our customs tariff reduces the real income of Canadians by about 4 per cent. It raises the price of imported goods from one end of the country to the other.

That applies equally to the urban dweller of Toronto and the rural dweller of Assiniboia. I continue:

It means less competition from foreign suppliers. It means that the incomes of Canadians, wherever they live, will go only 96 per cent as far as they would if we had free trade with the U.S.A., western Europe and Japan.

This isn't the whole story. Prices would come down by 4 per cent. But salaries and wages would also rise if other countries would trade freely with us.

Customs Tariff (No. 2)

Speaking on the effects of free trade upon Canada, the hon. gentleman went on to say:

Looking through the latest writings on international trade, I find that easy access to foreign markets, if anything, is more important than free entry into Canada. It's worth about 6 per cent of our National Income. A 4 per cent drop in prices and a 6 per cent increase in salaries and wages adds up to 10 per cent—10 per cent in real purchasing power.

That applies both to rural and urban members of our society. He went on to say, and I underline the following:

Free trade, both ways, can add 10 per cent to our standard of living. More Canadians, obviously, should get into the act.

He went on to say that free trade has raised incomes in Oshawa and Windsor, and cut prices. I will not read that part of his speech. Then he said:

Why not trade freely in such things as electrical apparatus, chemicals and machine tools? More people would benefit in central Canada and more people would benefit in the west as well.

That advocate of free trade happens to be a cabinet minister. He is the Minister of the Environment (Mr. Davis), who participated in the collective decision with regard to the tariff reductions dealt with in this bill and who, in Vancouver, talked about free trade for Canada. He was followed by the Minister of Industry, Trade and Commerce (Mr. Gillespie), who denounced everything that the Minister of the Environment had said about free trade. I suggest that these kinds of selective tariff reductions are not in the interests of Canadians who live in the west or the east.

If the government is concerned about western alienation it must not be so blind as to ignore the concern of western farmers regarding free trade in the commodities they produce and tariff reductions which ought to apply not only to children's clothing but to all clothing and to other commodities which cause their costs to rise. Essentially, the Minister of National Revenue and the Minister of Finance, in viewing tariff reductions, ought to view those reductions in terms of how they affect Canada as a whole. You must not view just one element of our economy; you must review all the areas which have suffered the income policies of the federal government.

You cannot just pick out certain tariffs and reduce them, and ignore the fact that the very people of whom I have spoken, those engaged in farming and industry, have borne the burden for the past 100 years in this country under our policy of protective tariffs. So when the government calls its western economic opportunities conference, or when it calls a special meeting of its own supporters and asks, what is our problem in the west, it ought to realize that the problem has to do with tariffs and with the freight rate structure.

Those problems must be resolved in this country if we are to overcome western alienation. We do not need ridiculous talk about placing DREE offices all over the country. That will only spread out the bureaucracy. True, such action will bring about an increased spending of federal funds in the west. For instance, a few big DREE offices in Regina will certainly be useful if only because DREE salaries will be spent in the city. When you do something like that, however, you are not really looking at what is essential, at what needs to be done in Saskatchewan. That is not the kind of action that will end western alienation.