increasing share of the Canadian market for fruits and vegetables. They found there had been a decline in the competitive position of our domestic fruit and vegetable growers and processers and that this decline was aggravated by the fact that virtually all fresh fruits and vegetables and a large number of processed products were subject to specific rates of duty; that is, the duty imposed so many cents per pound. Of course, this meant that with increasing price levels, as we have unfortunately had in recent years for fruit and vegetables as well as other products, the real level of the tariff protection given our domestic fruit and vegetable growers was declining over a period of time.

● (1550)

The purpose of the bill which is now before the House as recommended by the tariff board is to restore some of the protection available in the past to fruit and vegetable growers. The bill provides for higher specific rates during the period when Canadian produce is being marketed. For each item the "floor" or minimum rate is expressed as a percentage of the value of the product to guard against further possible erosion from the effect of rising prices.

In connection with processed products, the old specific rates are being replaced by *ad valorem* rates. In most cases, these are higher than the percentage rates equivalent to the old rates. So there is a change in the system of valuation to give more protection. This change is to be made also on a seasonal basis when our Canadian fruits and vegetables are coming onto the market.

The legislation also provides for the removal of duties which apply to fresh produce at certain times of the year when Canadian produce is not available. At certain times in the year the duties would be removed when fruits and vegetables cannot be produced locally in Canada. This change also helps the consumer. The bill is to provide protection to fruit and vegetable growers as well as to consumers when Canadian fruits and vegetables are not available.

Mr. Breau: That is good Liberal policy.

Mr. Crosbie: I think it is good Canadian policy, Liberal or Conservative. I am giving it my enthusiastic support, in any event.

In addition, separate tariff items have been proposed for fresh fruits and vegetables that are imported for processing. We import fresh fruits and vegetables as well as processed. Those duties will be applied year round to discourage unduly large volumes of imports at either end of the marketing season for Canadian crops. The specific rates on these fresh fruits and vegetables to be processed here would generally be lower than on fresh produce for direct consumption, reflecting the generally lower value of processing grade crops. The minimum *ad valorem* rates which will apply are similar to those on fresh table produce.

Negotiations with our trading partners were necessary before tariff increases along the lines recommended by the tariff board could be implemented. Before their report could be dealt with we had to negotiate with our trading partners under the agreements that were in effect. To reach agreement on those negotiations, to try to carry out what the tariff board was recommending, it was necessary for Canada to depart from some of the board's recommendations and offer compensation to our trading partners. In other words, if their rights were affected by these changes under international agreements they have the right to be compensated in other ways.

That explains why there are reductions in the duties proposed on a number of imports that are not covered by the board's report, for example, raisins, fruit juices and field peas. That accounts also for the fact that the rates on some products, such as canned fruit, are not as high as on those which the tariff board recommended because we had to give some compensation in these negotiations to our trading partners.

As I look along our ranks here I see there are some noted members representing the fruit and vegetable growing areas here today, particularly from the Okanagan Valley in British Columbia. I hope that this legislation will be of some benefit to them.

In closing, I might mention two provisions which differ from the legislation that was introduced by the previous government. The earlier legislation had proposed that tariff preferences on canned pears from Australia be eliminated over a three-year period. That proposal is included in the legislation that was introduced after the last budget. This legislation proposes that this elimination take place over four years with a rate schedule slightly more advantageous to Australia.

Hon. members might ask why this change. The answer is that in return for this the Australian government has agreed to continue to accord tariff preferences on Canadian exports of canned cherries for a similar period of time. In order to assist our canned cherries exporters we have given this slight concession to Australia. Therefore, the situation on canned pears will be eliminated over four years rather than three. That is one change.

The other change relates to clause 4 of this bill, which provides for the extension until June 30, 1980, of numerous tariff reductions scheduled to expire on June 30 this year. Most of these reductions will be overtaken by legislation to be brought before the House to implement the results of the multilateral trade negotiations at Geneva in the Tokyo Round, which I intend to introduce later this session. Sugar and related products were not included in the negotiations. In this bill we are proposing to continue the temporary rates on those products for an indefinite period.

When we come to clause by clause discussion of the bill, the parliamentary secretary and I will do our best to answer any detailed questions on these proposals. The bill is structured so that Part I deals with matters that came into force on March 13, 1979; that is the section that contains tariff reductions only. They will continue in effect by a remission order under the Financial Administration Act.

In Division II, clauses 7 to 10, schedules 4 and 5 contain tariff increases which came into force on October 24 of this