

*Income Tax*

in view of the fact that the manufacturing industry, as has been stated over and over in this debate, is in a \$10 billion deficit position. Agriculture remains one of the few areas where by hard work, endurance and suffering we are able to trade with foreign nations which have a surplus. But the consumer has to pay more for tomatoes than he would have to pay had these tomatoes been Canadian.

● (1552)

Now, Sir, what kind of competition do we have? We need exactly the same type of law—and we need to negotiate successfully to get it—as the one I outlined as existing in the United States. If we do not get exactly the same thing, then we must negotiate without penalty for a position in which the Government of Canada can impose a surtax on imported products which are obviously being dumped, perhaps at a price below cost of production or the price obtained on the market of the country of origin. Perhaps this is done in search of hard currency, which is the basis for the price of many products which are arriving in Canada. A nation needs an element of hard currency.

The Canadian market will take mushrooms, tomatoes, peaches, to name a few products, so that you do not have to hit very hard in order to get by our duties. But having done that, there is no mechanism which can be put in place to protect the Canadian producer and his crop within the crop year in which the product is being imported, and that is the problem. Our mechanism is too slow. We have to contract with our GATT partners for a mechanism which can work immediately. The hon. member who represents the Kelowna district has told the House time and time again what happens to cherries, and the same thing happens to tomatoes, potatoes, and vegetables. It happens all across the board.

According to this recommendation, the potato industry will have a duty of 10 per cent on frozen products and 12 per cent on other processed products. These are considerably below the former levels and substantially below the levels the industry sought. There are some good things about it. For instance, the rate on potato starch is increased, and there is an outside possibility that this will be of assistance.

When the government was approached 10 years ago to give protection to the potato starch industry, potato starch plants were in operation in Canada. Although an increase in duty on potato starch might bring about capital investment, create jobs, and establish a potato starch industry in Canada, like many of the things the government has done, it is too late. The starch plants in eastern Canada are now closed because they were given no protection. There was no surtax, no emergent measure to protect the Canadian market from the flow of European starches as they arrived well below the cost of production in Canada, putting our potato starch plants out of business.

The Horticultural Council of Canada and the potato processors go on to say in their brief that these duties are far below their recommended tariffs for potato processed products. It is virtually impossible to get them into other countries. Our

[Mr. McCain.]

potato processing industry built branch plants and has sent its expertise around the world. Having developed one market after another, our Commonwealth and GATT partners found a vehicle to exclude our processed products from their markets. Consequently, our expertise and our jobs have stayed abroad where they are producing potato products around the world.

Let me now turn to frozen vegetables in general. The Canadian Horticultural Council, in discussing this question with agricultural officials, declared that the new classifications are logical, the specified rates basically acceptable, but again the top rates are the lowest. They include peas, beans, corn, carrots and mixed vegetables. The rates are far below the level suggested by the agricultural industry to the Tariff Board.

I ask hon. members of the House to stop and think how many of them have peas, beans, corn, carrots or mixed vegetable growers in their constituencies. From coast to coast in Canada, Mr. Speaker, you find virtually every province has one of these industries which are being eroded by competition.

Another very significant duty is that which is levied on fruit juices. We do not have a lot of juice products produced in Canada, but we do have two major items of importance, apple juice and tomato juice. When a housewife goes into a store and finds grapefruit juice, orange juice or any other comparable juice cheaper than apple or tomato juice, it has been proven beyond question of doubt that juices shipped to our market at unreasonably low prices erode our own market for tomato and apple juice. I say the level of duty should be higher than that recommended by the Tariff Board, yet the rate is reduced to 12½ per cent. The Canadian Horticultural Council recommended that the rate should be 20 per cent. I think the committee I asked for in my question yesterday is very badly needed.

There is no change recommended in regard to vegetable sauces, so everything is fine there. The recommended rate on vegetable soups, etc., is 12½ per cent compared to the current rate of 17½ per cent. In other words, the Tariff Board is recommending a reduction.

I believe it is time to adjourn this debate, Mr. Speaker, so may I call it four o'clock?

**Mr. Deputy Speaker:** Order. It being four o'clock p.m. the House will now proceed to the consideration of private members' business, as listed on today's order paper, namely notices of motions, public bills, private bills.

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## PRIVATE MEMBERS' PUBLIC BILLS

[English]

**Mr. Reid:** Mr. Speaker, I rise on a point of order. There has been some consultation among members and there might be permission given to revert to private members' public bills for the purpose of discharging a number of private members'