

I could refer to others in respect of processed fruits and vegetables, but perhaps the minister would like to reply in regard to those I have quoted.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have listened not only to the remarks of the hon. gentleman tonight, but also those made earlier today and yesterday regarding some of the proposed tariff reductions on fresh and processed fruits and vegetables. I am also aware of the representations made both to the Minister of Agriculture and myself by the Canadian Horticultural Council. I think it might be worthwhile if I repeated again tonight what I said late Friday afternoon as it did not get much play in the press.

An hon. Member: Do you think it will get more tonight?

Mr. Turner (Ottawa-Carleton): I think it is important that it be again drawn to the attention of the producers of fresh fruits and vegetables that I have asked the Tariff Board to conduct a study of the tariff items on these commodities and to make recommendations as to an appropriate structure of rate schedules. In order to explain the terms of reference in more detail than I was able to do at the second reading stage on Friday, I should read certain paragraphs of a letter I sent to the Chairman of the Tariff Board on July 6.

This letter was made public by the Tariff Board last Thursday. Perhaps with the indulgence of the committee I might read a few paragraphs which I think set out the situation clearly. This letter is dated July 6, 1973 and is addressed to Mr. Couillard, President of the Tariff Board, and it reads in part as follows:

Dear Mr. Couillard:

My colleagues and I have concluded that a number of developments in recent years have made many of the present tariff provisions for fresh and processed fruits and vegetables inadequate and out of date.

As a result of rising prices, the specific rates of duty applicable to many of these products have been affording growers and processors a diminishing level of protection against imports. The greenhouse industry has become a more important factor in the Canadian market, particularly for tomatoes and cucumbers. Greenhouse and field crops reach the market at different times of the year and it is claimed that the present tariff structure cannot provide sufficient protection for both crops.

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Moreover, in some years, there have been sudden influxes of large quantities of certain fruits and vegetables at very low or distress prices while at other times certain domestic products have been in short supply. The present tariff is not structured to deal adequately with either of these situations.

I believe it would be useful if the Tariff Board were to examine the impact of the present tariff structure on the fruit and vegetable growing and processing industries taking into account the general interests of Canadians as consumers and the importance of these products in the budgets of Canadian families. I would expect the Board to include in its report a detailed assessment of other factors affecting the production, consumption, marketing, and international trade in the products of these industries. It should also consider and report on how, in its view, provision could be made for action to be initiated quickly to either counter the adverse effects of low-priced imports on Canadian growers and processors or to benefit consumers at times when domestic products are in short supply.

I, therefore, direct the Tariff Board to make a study and report under section 4(2) of the Tariff Board Act on the following tariff

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items insofar as they relate to fresh and processed fruits and vegetables:

Then there is a long list of items, many of which were covered in the representation of the Canadian Horticultural Council. I want to add to that that this action by the government concerning the reference to the Tariff Board does not alter in any way the fact that the proposed duty reductions are scheduled to expire on February 19, 1974 and will be carefully reviewed by me and by my colleague the Minister of Agriculture in the light of the economic conditions which prevail at that time. This study will take into account the representations I have received concerning proposals before the committee, and the comments made during the course of debate during second reading and in committee of the House. In other words, the fact that I made the reference to the Tariff Board to review in current circumstances the pressure from imports exerted on Canadian producers and the effect of imports on Canadian consumers brings the matter up to date, and there will be a thorough review by the Tariff Board of that whole subject.

Mr. Whittaker: Mr. Chairman, I should like to thank the minister very much for his words but I am afraid the processors and producers in Canada become a little short-tempered about studies. We are talking about what is happening right now, which is the reduction of their tariffs. They are very concerned about this and are making representations to have these tariffs restored or reduced, as the case may be. These items can be studied, but what we are requesting now is immediate action.

The Canadian growers are most concerned about the market and what happens in respect of certain fruits and vegetables. The growers are dependent upon outlets for their products. Without processors, growers will be forced out of business. Canada's processors are making one of the smallest margins of profit of any segment of the Canadian manufacturing industry—2.7 per cent on sales in 1969, compared to 4.1 per cent for all manufacturing, according to Statistics Canada. Many processors cannot afford to reduce prices, and additional competition from imports could force them out of business.

At the present time the Canadian government is carrying out a study to determine whether the Canadian tender fruit industry may be saved. The decrease in tariff protection would indicate the government is not interested in saving this industry. Two firms which pack the majority of Canada's tender fruit are making corporate decisions as to whether they continue to operate or have their brand labels packed in the U.S.A. Here again, if you import cans into Canada there is a duty of 17½ per cent; but if you import the cans full, they are duty free. Or if you do pay duty it is not as much as 17½ per cent. In this way the cans are bought much cheaper and you have a base to work on in respect of the cans. Several retailers and distributors are already doing this, and it may be simpler, easier and possibly even more profitable for them. However, the result will be disastrous to Canadian growers. It is the equivalent of exporting thousands of jobs to the United States.

We require a processing industry which is capable of handling Canadian production. Canada's fresh tender fruit industry is in jeopardy without a complementary