

*Customs Tariff*

increase in tariff. I wonder why we think that is going to solve the problem that the various commodity groups bring to the attention of members of Parliament annually.

**Mr. Rose:** Mr. Chairman, I should like to follow up on that line of questioning before the parliamentary secretary replies, because over the years it has concerned me as a member of Parliament representing an agricultural riding. I should like to know whether these percentages are based on the Canadian price or the American price. If, as I assume, they are based on the American price rather than the Canadian price, then the advantage of a percentage does not necessarily protect anyone.

It seems to me there are really only two reasons for a tariff. The first is to raise money for the treasury and the second is to protect Canadian producers, whether in manufacturing or agriculture. If the tariff is based merely on a percentage of the American price, then it does not often help us a great deal. As everyone knows, we are seasonally disadvantaged. We cannot usually blame the Americans, because we import more fruit and vegetables from them than from anyone else. By the time our product is at its peak and ready to come on the market, however, it is already the tail end of the American season, when their price is lower. We cannot accuse them of dumping or resort to anti-dumping legislation, because they are not selling the product to Canada at a price lower than that in California, Arizona or anywhere else. The mere offer of a product such as prunes to a broker in Seattle is enough to destroy the Okanagan price.

The hon. member for Okanagan North is sitting across the way. He knows that this happens all the time. The Canadian price is not protected by the various tariffs, because even an offer is enough to destroy the value of a particular commodity at the peak of the Okanagan season—which may coincide with the end of the California or Oregon season. I see the hon. member nodding his head with silent, sage approval. I am very pleased to have his support on this. Perhaps this does not relate specifically and always to the Okanagan, but it certainly happens to the berry crop in the lower Fraser Valley.

We are concerned about trying to develop, on the one hand, a system of tariffs that protects the local producer when his product is at its peak in market price. That cannot always be done by calendar months. No matter how adjustable they may be from one area to the other, they have to be adjustable from one season to the other. As the hon. member for Timiskaming said, there is the possibility that this is triggered when the product comes across the border and the damage has to be proved. Some commodity groups take the position that all that is needed to destroy the price is an offer to the broker who usually ships across the border.

There might be another way to look at it. First, price could be based not on a percentage of the U.S. price, regardless whether it is the beginning or end of their season, but on the cost of production in Canada; because in the United States they have certain seasonal advantages. Second, have the mechanism trigger at a time of the year adjustable to the best possible market season for Canadian produce.

On the one hand, through tariffs and their adjustability in terms of seasons, we have to give the consumer the best break we can at times of the year when the consumer is not threatened with having his price destroyed by American produce coming across the border. I am referring to produce that is available in Canada. I recognize that this is not an easy task, but I should like to know whether some consideration will be given or is being given to these questions which, perhaps, are more in the form of a representation.

**Mr. Whittaker:** Mr. Chairman, the hon. member who just spoke brought my name into this although I had not planned to speak today. I might say that the percentage basis is what the industry has been asking for. The previous system was a rather antiquated one based on cents per pound, which did not mean too much in this day and age with the increase in prices.

We are, of course, very interested in the cost of production but I think the hon. member for Mission-Port Moody was skating around the edge of this. I do not know whether he understands it. We are asking for a surcharge that can be put in place when the sort of things happen that he spoke of, such as when an already low price goes down and the produce is coming into the Canadian market at the bottom of the scale.

I might say that just the other day the Minister of Agriculture issued a press release and announced in committee that he was going to impose a surcharge. This is something that is much better and much faster than the measures which were in place before. The industry is very encouraged and very happy with the announcement. The surcharge would be based to some degree on the cost of production in Canada and we in the industry know that this is a difficult procedure. For the first time, however, we are going to get some kind of formula that we believe, and which the industry believes, will go a long way toward solving the problem.

**Mr. Rose:** Mr. Chairman, I apologize to the hon. member for Okanagan North if I do not know as much about the fruit industry as he does, since he has spent a lifetime in it. I am very pleased to hear that these things are coming to pass to protect not only his industry but the industries of the farmers that I represent.

The parliamentary secretary was about to answer my question whether these percentages were based on Canadian values or American prices. I have no objection to percentage figures. I was not calling for a fixed figure, and if the hon. member for Okanagan Boundary was listening, I do not know whether he understood that. Do the percentages refer to the price at the beginning of the season, the end of the season, or what part of the season? On what date do they become active? That is really what concerns me. First, are the percentages based on Canadian or American prices; and, second, when do the percentages apply? Certainly the price varies throughout the season.

**Mr. Ritchie (York East):** Mr. Chairman, I may be able to reassure the hon. member for Timiskaming and the hon. member for Mission-Port Moody by telling them that by and