

Mr. MacKELVIE: No. We thought then that the American product would not seek entrance in the manner in which it did. We did not understand the situation; I am free to confess none of us are so well acquainted with facts before they happen as when we are able to look back upon them in retrospect.

Now, as to the measure of protection that is afforded us, we not only have a specific duty on apples but we had inserted in our Customs Act last year what is known as the dumping clause. We have had the dumping clause in connection with our Customs Act in Canada for many years, in fact, I think it goes back to probably 1903 or 1904. But that dumping clause of the Customs Act we found was lacking in teeth; it did not grip the situation; it did not give the relief to us that we thought we were entitled to because of this fact: It was based upon the selling price of the article at the point of production, and that selling price might be manipulated, might be rigged, might fluctuate so much in places a few miles apart that it was a matter of impossibility ever to determine it with any degree of exactitude, and it was a very easy clause to avoid. So, last year, finding that other countries who were alert and alive to the situation, were introducing clauses into their customs acts based upon another principle, namely, that the cost of production—not the selling price or the market price—but the cost of production at the point where the article originated—should be the basis of that clause, we had our act changed, or we had it amended, and now we have in the Customs Act a dumping clause which does give us protection in that respect. If an American firm, for instance, ships into Calgary, as they attempted to do last year, pears which they offered on the market there for a dollar a box we could invoke—as indeed we did invoke last year—this dumping clause in the Customs law. We can prove that it cost them so much to produce that box of pears in the Yakima valley, the Wenatchee valley, Hood River district, or wherever they originated; that the transportation charges from that point to the point where they were offered for sale was so much; and then the Minister of Customs is authorized to increase the duty above the normal duty to such a figure as will bring about a fair market value for those articles in the market where they are presented; and by that means, invoking that clause, I dare

say the orchardists of the Okanagan valley were last year saved many thousand dollars.

Mr. SALES: Will not that dumping clause increase the tariff?

Mr. MacKELVIE: I will tell the House this fact—it may not be easy to believe it but it is nevertheless a fact—that in spite of the protection afforded us by the Customs tariff and by the dumping clause, the market price of apples—no, not the retail marketing price of apples for that may be anything according to different localities or according to how much the retailer will get—but the market price of apples as disposed of by the producer and put on the prairie market by the wholesaler, was no larger in Manitoba, Saskatchewan or in Alberta than it was on the other side of the line a corresponding distance from the Washington orchard. For instance the price in Dakota last year and the year before was practically the same for American apples produced in Washington as it was in Manitoba for apples produced in the Okanagan valley. Now under a system such as that we have some chance of maintaining the British Columbia industries in a very prosperous condition, although I want to tell you that it is by no means as rosy in the fruit growing country as some people seem to think they have reason to believe. This year our orchardists, despite the existing protection, are almost in as bad a position as some of you graingrowers from the prairies. When I left the Okanagan valley at the end of last month the fruit growers there, selling through the co-operative institutions, had not received the money for their crop, and further, a lot of that crop was not sold. You know how conditions were on the prairies this year; you know what proportion of the crop they were capable of absorbing.

Mr. SPEAKER: Order. The hon. member is very conversant with the rules of the House. I would ask him to address hon. members in the third person instead of addressing them directly.

Mr. MacKELVIE: Thank you very much for your correction, Mr. Speaker. I will endeavour to adhere to the rule.

Mr. SPEAKER: Not a correction but a direction.

Mr. MacKELVIE: I was about to remark, Mr. Speaker, that so far from being entirely prosperous this year the condition was not altogether rosy as regards fruit