

Customs Tariff

Provided, that coffee, green, shall be entitled to entry under the British preferential tariff upon evidence satisfactory to the minister that such coffee has been produced wholly in the British dominions, colonies or possessions, and not otherwise.

Mr. BENNETT: This merely raises the general tariff to five cents?

Mr. DUNNING: There is no change in the wording. The only change in rates is the increase in the general tariff rate from three to five cents per pound. Empire countries now constitute by a considerable margin the chief source of supply, and by far the greater part of the remainder comes from countries enjoying either most favoured nation or intermediate tariff rates. Brazil, for instance, is under the intermediate tariff. It is deemed desirable to make a spread between the most favoured or the intermediate rate and that obtaining under the general tariff, in order that there may be some definite advantage to coffee producing countries in having the benefits of the Canadian intermediate tariff.

Mr. BENNETT: What countries would be affected by the general tariff on coffee? Brazil has the intermediate tariff.

Mr. DUNNING: I prefer not to enter into a public discussion, but some countries which now enjoy the intermediate tariff are, shall I say, internally disturbed and are speaking of changing their trade arrangements with other countries, not specifically Canada but including Canada.

Mr. BENNETT: Do they produce coffee?

Mr. DUNNING: Yes, and I believe that a difference between most favoured nation and intermediate tariff rates on coffee in those instances may help to maintain existing trade relations and, in fact, render possible better ones. I do not specify the situation any more closely than that, because I am not desirous of embarrassing exchanges which are now taking place.

Mr. BENNETT: I think a spread is always desirable.

Mr. DUNNING: There are exceptions, but in the main it is a useful thing to have.

Mr. CAHAN: Is the proviso attached to this item contained in the tariff as it now exists?

Mr. DUNNING: Yes, exactly.

Mr. DEACHMAN: There is one question I should like to ask in regard to this item. The rate is now five cents on coffee coming in under the general tariff.

Mr. DUNNING: No; it is three cents now.
[Mr. Bennett.]

Mr. DEACHMAN: The new tariff is five cents. Does that not tend to establish in Canada a price for coffee representing the foreign price plus the five cent duty? Therefore there will be a tendency on the part of countries trading with us under the intermediate or British preferential tariff to raise the price of their coffee to approximately the point reached under the general tariff. A tariff, I submit, arranged as this tariff is, tends to raise the price of coffee to the Canadian consumer and at the same time tends to give a definite and specific benefit to the countries exporting to us under the British preferential and intermediate rates. So then the Canadian consumer pays for coffee, a part of the price goes to the revenue of the country but a large part of it goes to help producers of coffee in countries trading with us under the British preferential or intermediate tariffs.

Mr. BENNETT: Having regard to the competition between Brazil and British preference countries?

Mr. DEACHMAN: I think so.

Mr. DUNNING: The best answer I can make to the fears expressed by my hon. friend from Huron North is to give the figures of our imports in order to show the very small quantity that will be affected by the increase. Last year our total imports amounted to 35,600,000 pounds. From British Africa we imported 10,170,000 pounds, under the British preference. From Jamaica we obtained 7,047,000 pounds, under the British preference. Brazil exported to us 6,935,000 pounds, and I mentioned that as coming under the intermediate tariff at the present time. Colombia exported 6,600,000 pounds, under the intermediate, most favoured nation tariff. From the United Kingdom we obtained 1,720,000 pounds, under the British preference.

Mr. BENNETT: That is in transit.

Mr. DUNNING: Yes. From Trinidad we obtained 811,000 pounds, under the British preference, and from Mexico, 775,000 pounds under the general tariff. That is the first instance of coffee coming under the general tariff.

Mr. DEACHMAN: Then why raise the general tariff by two cents if it is inconsequential?

Mr. DUNNING: I explained a moment ago that coffee is a very important item in regard to some countries being willing to enter into a trade agreement with Canada involving most favoured nation and intermediate tariff treatment. To continue: From Costa Rica we obtained 452,000 pounds, under