

Canada-U.S. Trade Agreement

Mr. SPENCE: I understand that.

Mr. DUNNING: It is a common term in our tariff items.

Mr. STEVENS: One of the expert valuers or appraisers of the Department of Customs upon finding that potatoes were kiln dried would say they were not in their natural state, and the first thing we know we would have a ruling by customs authorities that these are not admissible because they are not in their natural state, although the intention under the item is clear.

Mr. SPENCE: That is the type of legislation which keeps business people worried and makes them fight with customs officials. The difficulty is that if they are kiln dried a different ruling might be given in Toronto, at which point many come in, and appraisers would have difficulty in deciding whether or not to charge a duty.

Mr. DUNNING: There is no change in the wording. It has been administered by customs authorities in precisely these words for a number of years, and the difficulty my hon. friend envisages is entirely new.

Mr. STEVENS: It has been overlooked.

Mr. DUNNING: Apparently the difficulty has never arisen.

Mr. SPENCE: Just get into business some time and see what you have to do with the customs office; then you will understand.

Mr. WALSH: I assume that last year a revenue was derived from customs duties on this and other items.

Mr. DUNNING: Yes.

Mr. WALSH: The assumption is that the government will require the same revenue this year as in other years, and that revenue will have to be raised by some other means. I do not know whether I am as a voice crying in the wilderness when I speak about raising revenue through a protective tariff, but I must say that I feel keenly in the matter. Here is one article, in particular, in which the poor man has little interest. He is satisfied if he can have ordinary potatoes, and when we remove the duty we are removing just that amount of revenue. I feel that the revenue feature of the protective tariff in this instance should prevail. I should not like to have the Minister of Finance worried all day and late into the night trying to find ways and means of raising revenue to make up for what is lost under this item. I would urge upon him to give consideration to the emphasis which formerly was placed on a protective tariff as a means of raising

[Mr. Dunning.]

revenue, and particularly revenue on commodities which are consumed by people well able to pay customs duties.

Mr. BRADETTE: What about soya beans?

Mr. DUNNING: Naturally I have no desire to enter into an academic debate, and I do not wish to delay the passage of a schedule which I am trying to pass through the committee stage. The consideration mentioned by the hon. member of course can never be absent from the mind of a minister of finance.

I have before me information with respect to estimated loss of revenue involved in connection with each of these items. In the present instance the loss of revenue is estimated at \$7,750, judging by last year's importations. Of course in this instance the loss of revenue would be absolute, because the item is made free. In many instances it is quite impossible to estimate accurately the loss of revenue, because there is always the presumption that if the article is not made completely free the larger volume of importation might adjust the balance of revenue in connection with the item.

Mr. HEAPS: It appears to me from the few words spoken by the minister that he himself is not quite sure as to the correct interpretation of the wording of this item. Personally I always feel that there should be an interpretation which should not permit of the department ruling in a sense different from that intended by parliament. I feel sure that if a shipment of potatoes came into this country under this item, the Department of National Revenue would be entirely justified, if the potatoes were not in their natural raw state, in charging the duty. They would not come in free under this clause. If the minister is not satisfied in his own mind that the item carries out the intent of the agreement, the wording should be made clear and definite so that it would not admit of two interpretations.

Mr. DUNNING: Apparently, Mr. Chairman, I did not make myself clear; I will try again. During the years efforts have been made under succeeding administrations to secure standard wordings with respect to various items of the tariff in order to avoid just the difficulty my hon. friend mentions. There is no change in the wording. It is a wording which has been administered in connection with not only this item but a number of others for many years past. Item 83 of the present tariff deals with potatoes in their natural state; with dried, desiccated or dehydrated potatoes; with sweet potatoes in their natural state, and sweet potatoes n.o.p.