

Adjournment Debate

Instead, he zeros in on extreme behaviour and therefore loses a chance to stress those positive things which help to normalize relations between the East and the West.

In the past two years Canada has declared three Soviet officials *personae non gratae* because they were conducting themselves in a manner unacceptable to this country. In April, 1982, on the basis of evidence at its disposal, the Government took the decision to expel one official, Mikhail Abramov. In September, 1983, after assessing the information available very carefully, the Government asked Victor Tselekovskiy to leave Canada and prohibited a second official, Anatolity Solousov, who was out of the country on holiday, from returning. The Government has no wish to comment on the alleged activities of other officials in the Soviet embassy. Of course, we encourage greater Government to Government dialogue through official contact. In that sense, Soviet diplomats are representatives of an important and powerful country and their work is essential. The record clearly shows however, that we have not hesitated to act promptly and resolutely when Canadian security interests are threatened by the conduct of officials who behave in an inappropriate manner.

It would be a mistake to underestimate the disruptive effect on the Soviets of these expulsions. The Government has pointed out strongly to the Soviet embassy that activities such as those for which these three officials were expelled will not be tolerated, nor will we hesitate to take appropriate action to ensure that Canadian interests and security are protected. At the same time we have no intention of interfering with the normal working and commercial activities between the two countries, and we have no intention of interfering with opportunities to open avenues of dialogue between the two countries.

TRADE—UNITED STATES POTATO IMPORT HEARINGS—REQUEST FOR CANADIAN REPRESENTATION

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I have asked questions in this House with respect to the recent ruling of the U.S. Department of Commerce that there should be a duty surcharge imposed on the export of Canadian potatoes to that market. I want to give you some background on the trade between Canada and the U.S., and some figures to back it up. I asked for some documentation on this subject matter from the Library of Parliament, and they gave it to me with respect to tomatoes, onions, carrots, cabbage and many other items. In their closing paragraph they say that Canada's horticultural trade is an important component of Canada's agricultural exports. Horticultural producers can be found in virtually every part of Canada. Canada imports substantially more horticultural products than it exports, primarily from the U.S. Canada also represents a major market for U.S. horticultural products.

Let us take a look at how important our market is to the U.S. Without going into the detail about cabbages, carrots, etc., I want to point out that in Canadian imports of fruit and nuts, the U.S. generates a net balance of trade of \$714 million. To broaden that a little further and include vegetables along with the fruit and nuts, again the U.S. generates a trade

surplus with Canada of \$382 million for a total of well over \$1 billion in trade surplus in fruits, nuts and vegetables.

Our trade with the U.S., particularly as it relates to potatoes, is somewhat minuscule on a relative basis. For instance, between the years 1971 and 1981, which is as far as Statistics Canada has prepared these figures, the import of potatoes from the U.S. fluctuated from a low of 7.1 per cent of Canada's consumption in 1971, to a high of 17.2 per cent in 1977.

● (1810)

In the reverse trade, on a relative basis again, we supplied to the United States a low of 0.2 per cent to a high of 1.3 per cent of their requirement for potatoes in 1982. Under those terms and conditions, who is hurting whom? If they supply to Canada up to 17.2 per cent of our requirement and a low of 7.1 per cent while we reach in one year only an export which is equivalent to 1.3 per cent of their requirement, who is damaging whom? Yet on that basis it has been decreed in the rulings to date that there should be a surcharge of duty on potatoes exported to the United States from eastern Canada. This raises an element of very serious concerns if, in a field in which there is over \$1 billion of U.S. trade surplus, we begin to find ourselves in difficulty with individual items which constitute that billion. It does not bode very much good for us. I submit that we should have taken a very serious look at the structure at a much earlier stage.

The probable responder tonight is from Ontario. I want to say to that gentleman from Ontario, through you, Mr. Speaker, that every single potato grower east of the most westerly Ontario destination, North Bay, and I think it would be proper to say east of Thunder Bay, will receive a lower price for his product if we do not successfully either fight or negotiate our way out of the surcharge on potatoes. Mr. Speaker, if those potatoes do not leave the country and go down to the natural market on the East Coast, they then must find a market somewhere east of Thunder Bay. That has a very major consequence on the return of potato growers throughout all of eastern Canada.

Mr. Speaker, the market and the price for potatoes is a continental price. I hope that our Government officials will extend that knowledge to the American officials. If the total continental supply, that is those potatoes grown in Canada and the United States, exceeds what is a reasonable consumptive capacity of the consumers of this continent, we will in fact get a low price. This will not only apply along the East Coast and in the so-called northeast region which has applied for surcharge of duty, but in virtually all of the North American continent with a few isolated situations which are protected by geography against transportation costs and therefore against price fluctuations as they relate to supply. Those will only be isolated instances. It is, therefore, very pertinent that the Government of Canada should make the strongest possible representations to the Government of the United States before the final answer from the United States Department of Commerce is passed down on December 19.