

Agricultural Prices Support Act

had one of the largest crops they have ever grown, of truly fine quality, making the competition rather keen.

We have tried to find markets everywhere. We have emissaries all over the world. I should like to read to you a report made in Penticton early this year by Mr. J. B. Lander, the sales manager of B.C. Tree Fruits Limited. I point this out to show the government that we in the valley have done our utmost to find markets. It reads as follows:

Shipments of boxed apples to off-shore markets in 1948 aggregated 568,245 boxes, distributed in nine countries, of which the most important, in terms of volume, was Brazil.

As I speak to you this afternoon, off-shore sales are practically non-existent, owing in large part to an export subsidy of \$1.25 per box on U.S. apple exports. The United States department of agriculture in Washington made this subsidy arrangement effective on the 12th day of October, 1949. This immediately shut off off-shore exports. We had orders from trans-Pacific markets for twenty carloads of apples when the subsidy was announced, and these orders were immediately cancelled. Where this obstacle is not operative, and it only excludes a few countries, such as Venezuela and Cuba, exchange control regulations made no provision for fresh fruit importations from dollar areas. This is the reason we were not able to enter the South African market. Protracted negotiations aimed at working out a barter deal involving an exchange of our apples for Brazilian cocoa butter broke down, when the control authorities of Brazil refused to authorize details acceptable to the suppliers in each country. It would have necessitated our obligating ourselves to sell in Canada a large quantity of cocoa butter, which would have been stored in New York, and we found, after a thorough investigation, that Brazilian cocoa butter was not particularly acceptable to the Canadian chocolate and biscuit manufacturers.

A world-wide canvass through the Canadian trade commissioners' service within recent weeks was not productive of a single encouraging prospect. Our sales off-shore as at January 11 totalled 110,000 boxes to nine separate countries, of which the largest single item is again Brazil. We have shipped 444,500 boxes of apples to the United Kingdom. This figure perhaps could have been included in the off-shore export markets but the deal was really in a different category, as it was an arrangement which was consummated by the British Food Mission with the Canadian government and ourselves.

I could go on quoting the struggle they have had in trying to capture some of the United States market. But they have made a wonderful arrangement whereby a large quantity of apples is being shipped to the United States market. I am merely pointing out to you that genuine efforts have been made to place our fruit without bothering the government. We have advertised this year more than usual in practically every paper of repute across the Dominion of Canada. Again we are handicapped by freight rates in reaching the markets of Quebec and Ontario. But in spite of that our excellent product, as a result of the efficient way in which it is packed, has penetrated even into Ottawa,

Montreal and Toronto. I find that last year 27,900 boxes were sold in our new province of Newfoundland.

I could go into the organization of the tree fruit board, but many hon. members realize and know full well that this is possibly the best organized industrial group in the whole Dominion of Canada. With all the handicaps it has had to face over a number of years it has brought remarkable success to an industry that has struggled from a poor start twenty-five years ago. I have pointed out to you how we have searched every avenue for trade and how the competition from the United States apple growers has handicapped our export sales. The subsidy of \$1.25 a box by the United States government cannot be overcome by an apple that carries no subsidy as such. This naturally has placed the Canadian grower in a disadvantageous position in the foreign market, particularly the United Kingdom market.

I am going to put before the minister this suggestion. The farmers who have done so much to stabilize their own industry, and then have met conditions which are entirely beyond their control, are deserving of help. I know a formula could be evolved whereby the cost of production could be maintained over a period of years. I am glad to know that this bill extends the life of the prices support act. A period of one year gave no stability to the fruit industry in which, as I pointed out before, the farmer has to look ahead ten, fifteen or twenty years.

Mr. Blackmore: Will the hon. member permit a question?

Mr. Jones: Surely.

Mr. Blackmore: I was wondering if that \$1.25 subsidy which the United States government gives applied to apples offered by the United States for export to Canada or only to apples for sale in their own country?

Mr. Jones: I do not think it is on exports to Canada. I think I mentioned an arrangement made between Canadian producers and the United States producers. They work together.

Mr. Blackmore: Will the hon. member permit another question?

Mr. Jones: Yes.

Mr. Blackmore: Do they offer that same subsidy as an export subsidy in order to penetrate other markets such as the European markets?

Mr. Jones: Yes; that is the object of it.

Mr. Blackmore: Thereby competing with Canadian apples?

Mr. Jones: That is right.