

in the field of fresh fruits and vegetables, controls are no longer imposed against United States imports. In other words, we, like the United States, have told the world that we are pledged to a system of multilateral trade, and as proof of our sincerity we have said to our producers that because the position of our reserves has improved we will no longer maintain a control against United States imports. In effect, we have refused to provide artificial protection for our fruit and vegetable industry.

Unfortunately, the same evidence of good intent is sometimes lacking in the United States. It is true that some of their leaders—such as Mr. Acheson, Secretary of State, and Mr. Hoffman, Administrator of the European Recovery Program—have warned the people of the United States that if they wish to continue exporting at their present rate they must increase their imports. They might have said that if they wished to have 13 million Canadian people remain their best customers by purchasing \$2 billion worth of their goods per annum they would have to devise some means whereby the 150 million people in the United States could increase their present purchases of only \$1½ billion in Canada. It is true that we are encouraged by the statements made by Mr. Acheson and Mr. Hoffman, but their speeches can have little meaning if various interests in the United States, including some persons holding high political positions, campaign for further artificial protection of United States industry.

The United States is not a new market for Canadian potatoes; the trade has been going on for many years. It is true that in recent years our exports have increased, but this is in line with the general increase in trade between our two countries. For example, Canada's over-all imports from the United States totalled \$1,954 million in 1949, compared with \$497 million ten years previously. Furthermore, a large portion of our potatoes which are exported to the United States are high-grade certified seed potatoes which, on a quality basis alone, are preferred by United States growers all the way from the southernmost states up to and including the state of Maine.

It has been claimed that our Canadian exports will do permanent damage to the markets of the United States seed potato growers, and I would suggest that, as long as the United States seed potato producers are content to sit on their farms and accept their cheques from the United States Price Support Administration rather than exert themselves to the extent of seeking markets, the danger to which they refer is indeed real.

It should also be recognized that United States producers are not without some considerable degree of protection. With the exception of limited quotas of Canadian potatoes, which enter the United States at a tariff rate of 37½ cents per hundred pounds, the remainder are subject to an assessment of 75 cents per hundred pounds. This is obviously a very heavy rate of duty, which was designed to give the United States producer a great deal of protection. Indeed, I do not believe that in the whole Canadian tariff structure there is one United States item which is subject to as high a rate of duty when imported into Canada.

Furthermore, we should not lose sight of the fact that now, when our own producers are forced to accept relatively low prices for their potatoes, potatoes from the southern states are entering Canada free of duty. I think that in Montreal or Toronto today I could buy American potatoes that have come into this country duty free.

It cannot be denied that some Canadian potatoes which enter the United States in legitimate trade become directly or indirectly a charge against the United States price support funds. But in this connection there are two things to remember. First, the United States price support program for potatoes was not of our making, and our legitimate trade should not suffer because of it; second, as long as this country has a trading deficit with the United States of nearly a half billion dollars per annum, every cent spent by the United States for Canadian produce will immediately return to the United States as payment for American goods which are currently entering this country at a rate which establishes Canada as the best customer of the United States.

Honourable senators, I wanted to place my views on this matter on the record. I should like to deal with some other matters that relate to the same subject, but I will not take the time to do so today, for I know some honourable members are eager to get away.

Hon. Mr. Duff: Go ahead.

Hon. Mr. Pirie: Within the last few weeks I have been deluged with American newspaper clippings criticizing Canadian exporters for shipping Canadian potatoes into the United States. These papers, however, say nothing about the fact that American potatoes are being given away, or sold at 1 cent a hundred pounds on foreign markets where we have been doing business. I have had cables from Lisbon, in Portugal, and from sections of Spain and other foreign countries requesting prices on potatoes in cargo lots of as much as 20,000 tons, and when we quoted prices commensurate with the market in the