

The Standing Senate Committee on Banking, Trade and Commerce

Evidence

Ottawa, Tuesday, November 10, 1970

The Standing Senate Committee on Banking, Trade and Commerce met this day at 9.30 a.m. to give consideration to Bill S-6 to amend the Anti-Dumping Act.

Senator Salter A. Hayden (Chairman) in the Chair.

The Chairman: Honourable senators, our witnesses this morning are Mr. R. K. Joyce, Director, International Economic Relations and Trade Policy Division, Department of Finance, Mr. J. Craig Oliver, International Economic Relations and Trade Policy Division, Department of Finance and Mr. J. P. C. Gauthier, Vice-Chairman, Anti-dumping Tribunal. From the Department of National Revenue we have Mr. H. D. MacDermid, Chief, Valuation Section, Customs Appraisal Division. So, honourable senators, you will see we have a good panel.

Would you care to make an opening statement, Mr. Joyce, and then we can get down to the business of the meeting?

Mr. R. K. Joyce, Director, International Economic Relations and Trade Policy Division, Department of Finance: Mr. Chairman, and honourable senators, this is a relatively short bill. Its primary purpose is to broaden the powers of the Anti-dumping Tribunal so it can inquire into and report to the Governor in Council on any other matter in relation to the trade and commerce of Canada that the Governor in Council refers to it for inquiry and report. The bill also provides for a number of other technical amendments, most of which are based on the experience gained in the operation of the present act for the last 22 months.

If I might deal first with the proposed additions to the powers of the tribunal, in clause 3 of the bill it is proposed to amend the present act by adding immediately after section 16, which deals with investigations by the tribunal, a new section 16A which will permit the tribunal on reference from the Governor in Council to inquire into other cases where dumping is not involved. The concept here is similar to that of subsection (5) of section 4 of the Tariff Board Act under which the Tariff Board has the duty to inquire into, "any other matter or thing in relation to the trade or commerce of Canada that the Governor in Council sees fit to refer to the Tariff Board for inquiry and report".

The Chairman: Perhaps we should stop there for a few minutes because this is the main clause in the bill. When I was giving the explanation on second reading, I had

assumed, and I have been confirmed since in my assumption, that the granting of additional authority to the Anti-dumping Tribunal was intended so that the Governor in Council might refer to the tribunal matters relating to imports and Canadian production where there is no question of dumping but where the complaint is that there may be injury or threatened injury to the trade of Canada.

Now, if that is the purpose, and I understand it is, this is really broadly drawn, so that without any relation to imports, any item that comes under the description of trade and commerce may be referred by the Governor in Council to the Anti-dumping Tribunal. Now you may say, "Well, there is a discretion in the Governor in Council", but one always likes to be able to put one's finger on the principle of the bill to see that the bill gives effect to that. In the memorandum which I had from the department and in the illustration which I gave to the Senate on second reading, that illustration was as to why it was touching on the point of injury or threatened injury to production in Canada by reason of the financing being done by developed countries on the basis that the Canadian company which secures the financing must purchase the products in that country that does the financing. Now there is no question of dumping there.

Senator Connolly (Ottawa West): Mr. Chairman, would you deal with that again. I did not hear the beginning, and I apologize.

The Chairman: Which part of it?

Senator Connolly (Ottawa West): The part about the credit from the foreign country.

The Chairman: The memorandum which I referred to on second reading went along this line; that some foreign governments have begun to offer their export financing facilities to support sales to developed countries on condition that machinery and equipment to be purchased with the proceeds of the loan be obtained from producers in the country which guarantees the loan.

Then it says:

When Canadian borrowers arrange financing for all or part of the cost of a major development through such foreign government export financing facilities and consequently make their purchases of machinery and equipment overseas Canadian manufacturers of machinery and equipment lose opportunities to supply this particular part of the Canadian market.