

Customs Act

shows just how extra capital costs in Canada have to be taken into account in the unit cost of manufacture.

There is a device adopted which almost constitutes dumping, and this is particularly applicable to United States electrical equipment. In the case of much United States household equipment there is an annual change of model. Sometimes the change is considerable, but sometimes the change is merely another paint job, a differently shaped handle, a different arrangement of shelving, a different name or a different advertising campaign.

However, this does allow the American producer to write down the price of the previous model and sell it at bargain rates. That is becoming a regular marketing practice. As to refrigerators, washing machines and other things, there are model changes. Last year's model is tremendously reduced in the United States as a marketing technique. The Canadian concern probably has not the capital to make these small changes and is manufacturing the same article it was manufacturing before. The previous model of United States equipment is then imported into Canada at a price which is a fair price but it is the price of the previous year's marked-down United States equipment, which may be 40 per cent or sometimes even 50 per cent below the price of the current year's model.

That is recognized merchandising practice in the United States. What happens in that period in which the model is being changed is that there is a surplus of equipment—and I have instanced it—which is dumped on the Canadian market. I feel that should be included in this act in order to prevent the results of this rather episodic fluctuation in the markets in the United States. I feel that the impact of the Canadian tax structure on the price differential is something which also should be considered.

The Chairman: Shall the clause carry?

Mr. Fleming: I should like to clarify one or two things with the Minister of National Revenue before raising a matter which I should like to put to the Prime Minister. I take it that the dumping which exists today is dumping entirely from the United States. Is that correct?

Mr. McCann: No, that is not correct. The major portion of it is from the United States.

Mr. Fleming: I did not catch the minister's reply.

Mr. McCann: The major portion of it would be from the United States but there are other countries from which goods are—if you want to use the term—dumped. There

are other countries from which they come. For instance, they come from Japan, Czechoslovakia and Britain.

Mr. Fleming: Of course, this provision will apply to dumping from whatever country is concerned.

Mr. McCann: From any country.

Mr. Fleming: Are there any other countries than the four now mentioned from which goods are being dumped into Canada?

Mr. McCann: They could come from any trading country. Those four were the ones I had in mind. An examination would show whether or not there are any more.

Just while we are on that question, I should like to correct the impression given by the statement made by the hon. member for Broadview with reference to dumping. I am sorry that he is not in the chamber. He said there was practically no dumping before 1948. The hon. member for Greenwood asked me the other day with reference to the figures. We had given him the figures from 1947 to 1952. We can go away back to the year 1931, when approximately \$1,400,000 was collected in dumping duties. The figures are as follows:

Dumping Duty Collected	
Fiscal Year ending March 31	
1931	\$1,339,695.
1932	1,976,625.
1933	4,101,257.
1934	1,764,761.
1935	1,264,660.
1936	1,200,890.
1937	1,335,925.
1938	1,073,112.
Calendar Year	
1939	1,445,315.
1940	2,747,581.
1941	1,547,427.

By order in council of 19 December, 1941, under authority of the War Measures Act, the imposition of special duty was suspended for the time being except in respect to fresh fruits and vegetables. This suspension expired with the expiry of the War Measures Act on April 1, 1947.

Mr. Rowe: Have you the figures for 1950 or 1951?

Mr. McCann: I put them on the record the other day but I can put them on again. For 1950, \$1,735,543; 1951, \$1,547,247; 1952, \$1,373,929.

Mr. Fleming: From the study made by the department in framing the bill now before the committee, what commodities will this measure apply to as to which the department is satisfied that goods are now being dumped into Canada?