

*The Budget—Mr. J. B. Hamilton*

35 per cent. If it is glass, under section 326(i) we have the same three classifications: British preferential, 15 per cent; most favoured nation, 20 per cent; all others, 32½ per cent. By far the greater number of the nations with whom we now trade are classified under the most favoured nation part of the tariff structure, and include nearly all countries other than those behind the iron curtain.

**Mr. McCann:** What was the commodity?

**Mr. Hamilton (York West):** Thermos bottles. My understanding of the usual method of assessing values for duty purposes, and I think this is the crux of the whole problem, is on the basis of the sale of an equivalent quantity; that it cannot be calculated on the price of the last 50,000 on a 500,000 run but an equivalent quantity at an equivalent level of business in the country of origin. The section dealing with the problem is found in chapter 58 of the Revised Statutes of Canada, 1952, being section 35.

But—and it is a very large “but”—there is absolutely no provision for a difference in (1) plant and equipment costs, (2) labour charges and (3) government taxes between the country of origin and our own country. As a matter of fact, if in a country under a controlled economy the government wishes to have goods sold at less than cost on its domestic market, then since 1948 that must be the price used for duty valuation. Dumping legislation does not apply unless the goods are being sold in their home market at prices in excess of their export price. Canadian industry and, in the result, Canadian labour, receive absolutely no protection in so far as our Customs Act is concerned in connection with the production of goods in countries where standards of living are far below our own. I might add that Canadian industry and labour apparently receive no protection from competition from countries where the standards of business ethics are also much lower than ours.

So that I may not be accused of speaking without proof, I should like to illustrate my point. I wish all hon. member could be close enough to me to see the two thermos bottles I have here. I think it can be readily seen and should be recorded in *Hansard* that they are packaged in almost identical fashion. The format, the colouring, the illustrations as to their use, the instructions which go with them even to the headings such as “electronically tested”, “for best results”, “to clean”, “caution”, are the same except that in the case of this product “caution” is spelled “c-u-t-i-o-n” and “little” is spelled “l-i-t-t-e-r”. As to the bottles themselves, the design and colouring are the same, even to the design mark on the bottom along with the name.

This thermos bottle is produced by Aladdin Industries in my constituency. This other thermos bottle is manufactured in Japan. The price to the wholesale trade of the Canadian bottle is \$1.28. The price to the wholesale trade of the Japanese bottle is 70 cents. The price to the purchaser of the Canadian bottle is \$2.35. The price to the purchaser of the Japanese bottle is \$1.49. This is what I mean when I say that there appears to be no equality in business ethics as far as the competition that our manufacturers must meet in our domestic market is concerned.

This topic came up for discussion a year ago, at the time of the ratification of the trade treaty with Japan. I should like to read some of the words of the Minister of Trade and Commerce (Mr. Howe), as found at page 3515 of *Hansard* of March 31, 1954. He said:

In a supplementary exchange of notes which is appended to the agreement Canada reserves the right to establish special values for duty on any imports entering Canada in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers of like or directly competitive products. In the event of such special values being applied, and in determining the level at which such values should be applied, Canada will take into account the prices of like or directly competitive products imported from other countries.

At page 3516 he had this to say:

The agreement also provided for non-discrimination in state trading practices. Both countries undertake to conform to internationally accepted fair trade practices, particularly in matters pertaining to trade marks, marks of origin and rights under patents. They also undertake to co-operate in the prevention of any practices which might prejudicially affect their mutual trade and to accord sympathetic consideration to any representations that the other country may make.

In the debate on the motion to ratify the agreement the Minister of Trade and Commerce had this to say, as found at page 4647 of *Hansard* of May 12, 1954:

It has appeared for some time to be in our national interest to work out a mutually advantageous trade agreement with Japan.

At page 4648 he went on to say:

In negotiating this new agreement, we set out to obtain and consolidate advantages in the Japanese market, and at the same time to safeguard in a reasonable way the position of our own Canadian manufacturers in our home market.

At page 4649 he said:

In case injurious competition should materialize for particular Canadian industries out of such imports, careful safeguards have been provided in the agreement.

I ask hon. members, is this any evidence of careful safeguards? Here is a product manufactured in a Canadian plant by a company which introduced the manufacture of this product in Canada, a company which employs