

*Customs Act*

It seems to me that so far as the valuation of goods is concerned the yardstick to be used is contained in an agreement known as the general agreement on tariffs and trade. Article VII of that agreement sets forth the method which countries may use when they are faced with conditions such as it is believed we are faced with at the present time. Clause 2 of that article reads:

2. (a) The value for customs purposes of imported merchandise should be based on the actual value of the imported merchandise on which duty is assessed, or of like merchandise, and should not be based on the value of merchandise of national origin or on arbitrary or fictitious values.

(b) "Actual value" should be the price at which, at a time and place determined by the legislation of the country of importation, and in the ordinary course of trade, such or like merchandise is sold or offered for sale under fully competitive conditions. To the extent to which the price of such or like merchandise is governed by the quantity in a particular transaction, the price to be considered should uniformly be related to either (i) comparable quantities or (ii) quantities not less favourable to importers than those in which the greater volume of the merchandise is sold in the trade between the countries of exportation and importation.

(c) When the actual value is not ascertainable in accordance with subparagraph (b) of this paragraph, the value for customs purposes should be based on the nearest ascertainable equivalent of such value.

If we are going to conform to the general agreement on tariffs and trade, it is not a question of our cost of production, it is a question of the fair market value, of what comparable goods in comparable quantities are sold for in the country from which the goods are imported. It seems to me that even in the suggestion as to prices made by the minister regarding the period of the previous six months we are going to run into some difficulty.

Supposing an industry in the United States has overproduced and they are offering 12, 15, 20 or 150 purchasers in the United States goods at a certain price which would seem to be below what we consider to be the cost of production in this country. Under this agreement we would have no right to impose any barrier against those goods coming in here provided they are offered to a Canadian importer at the same price at which they are being offered to purchasers in the United States.

It seems to me that we are getting into difficulty in trying to get around an agreement which we have made already. I think if it is taken up with the United States the suggestion contained in the bill is a reasonable one. As they are obligated to do under the general agreement on tariffs and trade, if we proposed to do something of this sort and a contracting party or parties raised

objection we could negotiate on the basis laid down in the bill before us but to put anything else in this bill regarding comparable costs of production and all the rest of it would be violating this general agreement on tariffs and trade.

I do not think it is any use talking along the lines along which my hon. friends have been talking; there is no use trying to put another value on these goods; the basis is laid down in an agreement to which the government has placed its signature. That agreement has been gone over and modified and extended at Havana and Anney and the provisions of that agreement have been in effect since 1947.

If we are going to facilitate the business of the house I think my hon. friends should keep this agreement in mind. What we should try to do is to pass legislation which has this agreement in mind. There may be objection by a foreign government to some of the duties proposed or some of the barriers suggested by our department in carrying out the particular bill now before us, should it become an act of parliament, and we should always keep in mind that we would have to negotiate on the basis of the governing agreement which we have signed.

A discussion of other things that have been mentioned this afternoon seems to me to be quite irrelevant. We should try to find something workable. To me the bill is objectionable in many ways and yet I want to see something done that will protect our people's jobs which may be threatened because of dumping. Let us not in our discussion be led into the belief that we can set aside a firm agreement which the government has signed.

**Mr. Adamson:** Mr. Chairman, I want to make one observation. At line 10 this section reads, "of the advance of the season or the marketing period." I should like to see inserted words such as these, "or change of model".

I am thinking particularly of electrical equipment the manufacturing of which is also in some considerable difficulty because of dumping. One must remember that over half of the household electrical equipment such as refrigerators sold in Canada was imported last year. I am not going into the difficulties created by extra cost of manufacturing in Canada as compared with the comparable cost in the United States. I should like to mention one instance of a machine which cost \$77,000 and the put-through in the United States was 3,000 per day as compared with a maximum daily put-through in the Canadian factory of 60. This