

limited to natural products, but is now extended to goods of any kind manufactured in Canada.

Hon. Mr. WILLOUGHBY: What is the objection to that, in view of the present law?

Hon. Mr. DANDURAND: I am simply explaining the legislation, but I will show later what I believe to be the danger that may arise from it. As honourable gentlemen have noticed, the legislation of 1922 was expressly limited to natural products, and it affected quite a large class of producers—our farming community, and more especially the fruit-growers throughout the land. That legislation, if acted upon, did not close the door to competition, because the number of producers of natural products, such as fruit-growers, precluded any monopoly. Competition remained in full play throughout Canada. The difference I see between the legislation of 1922 and this which is now before us is that the principle is now to be extended to all private interests, corporations and individuals, and this fact may create the danger of monopoly by the exclusion of competition. In natural products there was no danger of monopoly; the area covered by the producers was so wide, covering several provinces, and the production so diversified, that there was bound to be heavy competition. There is the danger that with this extension to all interests the door may be closed against importation, and an article may become the monopoly of the Canadian producer.

Again, in the anti-dumping clause there is a limit set to the imposition of the super-tax, which is fifteen per cent; but in this case there is no limit. Whatever the Minister reports becomes the law. The price he fixes may absolutely prohibit importation, and then the country must turn to the producer of the article, who will not be affected in the setting of his price by the foreign competitor, and there will be no limitation or qualification in the fixing of that price. In the anti-dumping clause the fair market value in the country of origin must be considered. We have not that provision in this legislation. The valuation is absolutely arbitrary.

Then I would draw the attention of this Chamber to the danger of complications. A pronouncement made by Order in Council may to a considerable degree affect the imports from outside and alter trade conditions. It may exclude in large measure sales for delivery in Canada. No exporter from a foreign

country will dare sell at a fixed price for delivery in Canada when an arbitrary valuation of the goods can be imposed. In many instances he calculates and absorbs the customs duty, and he does so only because the rate is fixed. With the threat of an arbitrary valuation hanging over them, foreign exporters undoubtedly will sell for delivery at home, and it will be for the Canadian importer to take the risk.

The Canadian importer will be in a considerable quandary. He buys abroad, and generally his buying is based on his sales. How can he risk buying when he does not know what the cost price will be? If he has no certain basis of cost, he will be hampered in disposing of his goods in advance, in the ordinary way, and in purchasing abroad to meet his sales requirements. This, it seems to me, will create considerable disturbance of mind among our people who are importing from abroad.

Then, if we thus hamper what is regarded as a legitimate business, shall we not also jeopardize our own export trade? Countries which find that there is not a natural and free exchange of products are apt to turn towards other countries where they feel they will have the benefit of fair dealing, and we may suffer in consequence.

Some honourable gentlemen may think that the more difficulties that we put in the way of the purchase of foreign goods, the better it will be for Canada. I would draw the attention of my honourable friend (Hon. Mr. Willoughby) to the fact that trade is exchange, and that if we value our export business we must resign ourselves to accepting something in return. The other day, in the debate on the Address, I said that in 1929, with its high protection, and varied climate and production, the United States exported \$2,600,000,000 worth of manufactured goods, and imported nearly \$1,800,000,000 worth, or some 67 per cent of the value of the exports. This should go to show that a country cannot live with absolutely closed doors, for if there is any country that could do so, surely that country is the United States, with its tremendous population and its productivity under various climatic conditions.

These are the thoughts that come to my mind in looking at this piece of legislation. I think that the Government would have been better advised to address itself to the anti-dumping legislation of 1906 or 1907 with a view to amending it and making it more effective. The anti-dumping clause still remains on the Statute Book; but here we are, after having increased our tariff, after having maintained the right to add 15 per cent