

from the United States have increased, whereas the market share of imports from other countries such as Belgium, Mexico and West Germany has fluctuated around 1 per cent in terms of volume and value. Since 1988 the imports from the United States have increased by 12 million square metres, or \$98 million. This is a 215 per cent increase over three years. In terms of value, the United States share has increased 190 per cent.

• (1820)

Following the complaint made last June 21, the study undertaken by the department has revealed margins of dumping from zero to 91 per cent. The goods imported into Canada at alleged dumping prices have had a direct impact on the sales and production of carpeting in Canada. Undervalued imports caused domestic sales to drop by 5 million square meters in 1989 and 10 million square meters in 1990. The Canadian market share of U.S. imports grew from 8 per cent to 28 per cent in 1990.

The strong price competition from carpets produced in the United States undermined the prices of Canadian carpets. In fact, the number of jobs in this manufacturing industry fell from 1952 to 985 between 1989 and 1990. We should certainly speed up the valuation process on this issue, in order to determine formally if there is dumping.

In order to prevent more job losses or plant closures, could the minister assure us that this inquiry will be done rapidly and that its results will be known shortly? As there is dumping and as sales, markets, production, prices, profits are dropping and jobs are lost, there are also plant closures. It is easy to blame the free trade agreement for all that, but commercial piracy will always exist. I believe that if the department really has the will, it can get more employees and work harder to complete this inquiry.

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Madam Speaker, I welcome the opportunity to provide the hon. member for Drummond with further details in response to his question in the House on October 4, 1991.

As the hon. member pointed out, on August 6, 1991 the deputy minister of National Revenue, Customs and Excise, ordered an investigation under the Special Import Measures Act of carpeting from the United States produced on tufting machines. The investigation fol-

lowed a complaint filed by the Canadian Carpet Institute on behalf of Canadian carpet producers.

I can inform the hon. member that departmental officials are analysing information obtained from exporters and importers. This is a tremendous task, which includes calculating margins of dumping for thousands of types of carpeting exported to Canada by the various exporters.

The hon. member may be interested to hear that because of the large number of importers and exporters concerned by the investigation and the many different types of carpets for which the margin of dumping, if any, must be calculated, the duration of the investigation of the dumping of certain carpets produced by tufting machines has been extended from 90 days to 135 days, as provided by the legislation. The preliminary stage of the investigation may result in a preliminary determination of dumping or in termination of the investigation, if no evidence of dumping is found.

If the deputy minister makes a preliminary determination of dumping, departmental officials will start collecting preliminary anti-dumping duties on the imported goods and will refer the question of whether dumping causes material injury to Canadian carpet producers to the Canadian International Trade Tribunal. Departmental officials will pursue their investigation for another 90 days and will then make a final determination. The CITT has 30 days more to reach its conclusions as to the material injury that might be caused Canadian producers by the undervalued goods. If the CITT concludes there is material injury, the preliminary duties in effect at the time of the preliminary determination of dumping will continue to apply as anti-dumping duties to all subsequent carpet shipments imported into Canada.

Finally, to ensure that the government does not take any inappropriate or arbitrary measures, the hon. member for Drummond may rest assured that the investigation will be completed as soon as possible and that the findings will be released at that time.

[English]

Madam Deputy Speaker: The Chair is very well aware of the importance of questions raised by hon. members and that parliamentary secretaries are trying to give answers as complete as possible.