

Customs Act

market value over a period of time is less in some states than in others. You are to take the weighted average. I would take it that you would require at least 48 civil servants for the 48 states to get the weighted average.

I submit that some changes should be made in this clause. The word "manufactured" could well have been left out, and it should be reconsidered. The clause refers to the export price "as a result of the advance of the season for the marketing period, declined to levels that do not reflect in the opinion of the minister their normal price". The law of supply and demand has a lot to do with the fair market value of any commodity in any place in the world. Therefore it is going to be difficult to administer a principle that is not tied into anything. You say that at the end of the season or the marketing period, or as to the distribution of end of line goods or whatever you call it, a fair market value has to be put on the goods. You have to arrive at something. What is the basis for calculation? Unless it is based on the cost of production who is to say that it is a fair price unless they give some reason for that price?

I should like to refer to a point that has been mentioned by the other corner of the house, namely, that the consumer is involved as well. If your price is tied to no cost of production or a reasonable profit or is not placed on any basis at all you are going to get into extreme difficulties. We all know of manufactured goods that have not cost anywhere near what they are selling for. Indeed, the profit per unit is often enormous because of the law of supply and demand itself. In other words, the goods may be produced for only a fraction of what they are being sold for until competition gets stronger and until more people start producing those goods that are in short supply. We have all seen that, with respect to different articles. Therefore, either way you take it, the fixing of a fair market value, independent of cost of production, from a business sense, is absurd, inasmuch as it may be sold for far less than the cost of production and far less than our cost of production. On the other hand, it could be just as absurd the other way round. Goods that we produce very cheaply under certain conditions could be sold at an enormous profit and still be below the fair market price in this country.

I do not wish to detain the committee except to say that I do believe this legislation will be found to be unworkable and will not accomplish the purpose for which we are all struggling. Everyone is trying to avoid

any semblance of having any fiscal policy of their own. Even hon. members to the left are very careful; everyone in this party is very careful. Even the leader of the party to my left was ultra-cautious. In fact I think he was more cautious and more selective in his use of words than either the Minister of National Revenue or the Prime Minister, because yesterday the Minister of National Revenue said this was an effort to give reasonably good protection, and the Prime Minister called it a system of reasonable protection.

I remember back to the years when we used to talk about these things. Those were the terms I heard on this side of the house. Mr. Chairman, I know that this is perhaps not quite relevant and I still have sympathy for you. I am not going to embarrass you again except to say that you acknowledge the problem.

I do urge the government to reconsider the proposal that has been put forth by the hon. member for Eglinton, the hon. member for Greenwood, the hon. member for Broadview and other hon. members, independent of party. In many instances these people have wide experience in the business field. I think it is relevant to say that this clause has been hastily and clumsily drafted, evidently as a matter of expediency, brought about, as the old saying is, after the horse is stolen.

I come back to what the hon. member for Nanaimo said and I hope that in the future, even though it is clumsy and almost impossible of sound administration, an effort will be made to complete it before some plants go out of business and certainly before hundreds of people are thrown out of employment at Christmas time, which seems to be the only shocking evidence that can move the government which had not seen the problem for two or three years.

Mr. Coldwell: Mr. Chairman, it seems to me that confusion is becoming confounded in this committee. We are trying to get at the basis for the valuation of goods and in doing so there has been a great deal of discussion as to cost of production and so on. I would find it very difficult to administer the bill now before us if I followed the views expressed in the committee. I am not sure whether my hon. friends to my right, of the Progressive Conservative party, want this bill completely withdrawn or not. I think most of us are anxious indeed that we do not impose any additional burden on the Canadian people, that we do not increase the tariff, but at the same time legislate to stop unfair practices.