

be found in the Customs Tariff. I will read section 6 of chapter 44 of the Revised Statutes, 1927, which deals with dumping:

In the case of articles exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada, there shall, in addition to the duties otherwise established, be levied, collected and paid on such article, on its importation into Canada, a special or dumping duty, equal to the difference between the said selling price of the article for export and the said fair market value thereof for home consumption; and such special or dumping duty shall be levied, collected and paid on such article, although it is not otherwise dutiable;

Provided that the said special duty shall not exceed fifteen per cent ad valorem in any case; and the following goods shall be exempt from such special duty—

Then there is a list of goods. That is the anti-dumping legislation brought in, either in 1906 or 1907, in one of the budgets of Mr. Fielding. I remember very well the occasion of that legislation. I was present at a largely attended conference at which Mr. Fielding and his colleagues met the representatives of the Canadian Manufacturers' Association, who came to ask for higher protection, not because at the time they needed it—for they declared that they were perfectly satisfied with the protection they had, and with the tariff as it was—but because they feared that if there was any kind of depression in the United States, the danger-flag would be hoisted and the industries of Canada would be disorganized and doomed. Mr. Fielding desired to give them a sense of security for the future. Upon their representation that they were perfectly satisfied with the tariff as it stood, instead of granting them higher protection which, as they said, they did not need, he introduced the legislation called the anti-dumping clauses, as amendments to the Customs Tariff. Up to the convening of this session of Parliament the Canadian manufacturer had for his protection whatever the customs duties against imports gave him, and besides that he had the anti-dumping duty or tax, which added a possible fifteen per cent increase over and above the tariff duties that were set forth in the Statute Book.

What will be the situation when this Bill is passed and the tariff increases come into effect after being passed by the two Chambers and receiving the Royal Assent? The Canadian manufacturer will have, as the result of the tariff changes, which will be before us shortly, the protection of much higher customs

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duties than before; he will have the same anti-dumping supertax as before, and with the present Bill he may obtain in addition a complete prohibition of imports. Section 4 of this Bill reads as follows:

4. Section forty-three of the said Act is repealed, and the following is substituted therefor:—

"43. (1) If at any time it appears to the satisfaction of the Governor in Council on a report from the Minister that goods of any kind are being imported into Canada, either on sale or on consignment, under such conditions as prejudicially or injuriously to affect the interests of Canadian producers or manufacturers, the Governor in Council may authorize the Minister to fix the value for duty of any class or kind of such goods, and notwithstanding any other provision of this Act, the value so fixed shall be deemed to be the fair market value of such goods."

Under the anti-dumping legislation the supertax could not exceed fifteen per cent of the fair value of the goods. Now there is to be no qualification as to the value of the goods. Honourable gentlemen will not find any limitation or restriction whatever. The Governor in Council may declare that the valuation reported by the Minister is the proper valuation, and that is final. There is nothing governing the action of the Minister. An article may be selling in a foreign market at a dollar. The manufacturer of such articles may state that he is prejudicially affected by its importation. He may be selling his own goods for \$1.50. Then the Minister can declare that the proper valuation is \$1.50, or \$2.00, and whatever amount he fixes becomes the law. Thus the Canadian manufacturer may obtain through the Governor in Council an arbitrary valuation. There is no direction in the legislation that it must be the fair market value in the country of origin. The valuation may be such as absolutely to close the door and completely prohibit the bringing in of such goods.

The clause enacted in 1922 reads as follows:

43. If at any time it appears to the satisfaction of the Governor in Council on a report from the Minister, that natural products of a class or kind produced in Canada are being imported into Canada, either on sale or on consignment, under such conditions as prejudicially or injuriously to affect the interests of Canadian producers, the Governor in Council may, in any case or class of cases, authorize the Minister to value such goods for duty, notwithstanding any other provisions of this Act, and the value so determined shall be held to be the fair market value thereof.

The amendment now sought is to replace the words "natural products of a class or kind produced in Canada" by the words, "goods of any kind". So the principle involved in the Act is being enlarged: it was