

- (ii) Withdrawal of any GATT tariff concessions which may have been made on the imported product under the escape clause in Article XIX of GATT.
- (iii) Fix the value for duty purposes of the imported goods under Section 40A (7)(c) of the Customs Act.
- (iv) Establish realistic quotas on imported goods. This would, of course, require new legislation.

The foregoing proposals are suggested purely as a temporary means of coping with the present very serious unemployment situation. They will also be useful for bargaining purposes with other countries. In order to arrive at a more permanent solution of the problem, it is suggested that where action is taken in line with the above proposals, the Tariff Board should be instructed to review the difficulties of the domestic industry or producer, hold public hearings if deemed necessary, and make recommendations to the Government within one year as to what form or forms of permanent assistance should be granted to the domestic industry or producer in order to provide Canadian workers with gainful employment.

The provision that immediate action be taken to restrict imports whenever they reach 10% of the annual Canadian requirements is intended to serve rather as a general guide than as a universal measure. It is intended that it should be administered in a realistic and flexible manner. There are cases where domestic industry is being seriously harmed by imports which amount to less than 10% of annual Canadian requirements, because the industry, in order to survive, must meet the low import price, even though this may mean selling below cost. On the other hand, there may be cases where Canadian industries can continue to prosper with a share of less than 90% of the market, for example where domestic demand for a product is rising sharply. This provision, therefore, must be administered with the prime purpose of enabling efficient Canadian firms to continue to grow and expand; survival without growth means economic stagnation.

2. It is recommended that at the current GATT Tariff Conference, no further tariff reductions be made on manufactured goods of a class or kind now being produced in Canada, and that steps be taken to unbind all those tariff items where reductions in duty negotiated at previous GATT Conferences have resulted in too large a share of the Canadian market being supplied by imported goods.

It should be remembered that the United States as well as other GATT countries, have not hesitated to use the escape clauses in the GATT or to seek to obtain waivers from any GATT provision when they have considered it to be in their own national interest to do so. We consider it important that Canada adopt the same policy. The Association believes it is imperative that Canada adopt a stronger, more realistic bargaining attitude in the current tariff negotiations with other GATT countries than it has done in the past.

---

## APPENDIX "F"

### EXPORT TRADE

1. It is recommended that the Canadian Government maintain and intensify its programme of energetic export trade promotion, backed by services and support in line with those offered by the governments of competing countries, including participation in trade fairs, the use of trade missions and the usual forms of direct trade promotion through the Trade Commissioner Service.