

was that it substituted for the words:

"less than the fair market value of the same article 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."

the following words:

"less than the value thereof for Customs entry"

The whole question is so broad that a proper appreciation of the administrative difficulties can only be expressed by the experts of the departments and, as the time was too brief to consult with them, any expressions of opinion are simply my own. If it is the desire to immediately amend the legislation, it would be, in my opinion, most easily done by amending the Customs Act. That could be done by the Minister of National Revenue and thus avoid the criticism of a "second budget speech" in one session.

Such an amendment could be justified on the grounds that the United States is contemplating the imposition of an export subsidy. The amendment might, until the whole question was completely surveyed, be simply a gesture, such as amending Section 43 of the Customs Act, thus adding a rider making a nominal ad valorem duty applicable to goods which enter under a specific rate. This might relieve the discontent among the growers without the section being applied. In other words, it would be a threat.

Might attention be also directed to the fact that the Tariff

Bill now before Congress provides for the substitution of United States cost of production for cost of production in the exporting country. If this becomes law, it may bring fresh demands in Canada for changes in the dumping clause and also in the basis of calculating values.

(Sgd.) Watson Sellar.

Private Secretary.

May 28, 1929.