

*Customs Act—Drawbacks*

Mr. ILSLEY: The governor in council.

Sir GEORGE PERLEY: It is left to his discretion to recommend to the governor in council that these import duties shall not be considered. In other words, in one case he may recommend that the import duties be considered, and in another case he may arrive at a reverse decision.

Mr. ILSLEY: That is so, and it casts a heavy responsibility both upon the minister and the governor in council. I think it is just as necessary to have this section as it is to have the section which enables us to disregard domestic taxes, which we have had for some years.

Mr. BENNETT: The effect of this is that if I receive an invoice from country A for \$100 and the duty is twenty-five per cent, the excise three per cent and the sales tax eight per cent, for the purposes of value I shall not take the import duties imposed by that country or the excise taxes?

Mr. ILSLEY: No.

Mr. BENNETT: That is what it says. In other words, if we did that we would be legislating in our own jurisdiction. If we legislate in the way suggested we would be legislating for some other country. The section reads:

The governor in council, whenever it is deemed expedient to do so, may order that import, excise and other duties and taxes, in whole or in part, shall be disregarded in estimating the value for duty of goods of any kind imported into Canada from any specified country.

As the section reads, that is our import taxes, our excise taxes and other duties. When I come into Halifax and hand them an invoice of goods I purchased while I was out of the country, they assess the duty. Then they assess the excise tax and the sales tax on the value for duty, being the cost of the goods plus the duty. This section provides that we may order that the import, excise and other duties and taxes, in whole or in part, shall be disregarded in estimating the value for duty of goods of any kind imported into Canada. Whose business is it? If a country wants to run its business in one way, why should we conduct our business in another? If country A desires to run its business in that way, why should we accommodate ourselves to their method of doing business? What country have we in mind?

Mr. ILSLEY: The Netherlands.

Mr. BENNETT: The Netherlands is one of the richest countries in the world. If they want to put on import duties which make it

[Sir George Perley.]

impossible to sell their goods in this country, why should we encourage them to sell in this country at our expense?

Mr. ILSLEY: It is not a fair value for duty purposes.

Mr. BENNETT: It is the duty we apply to other countries. If they want to fix up their tariffs in such a way and put on such taxes as to make it impossible for us to buy their goods, why should we so adjust our regulations as to give them the same chance as other countries? What do we get by that?

Mr. ILSLEY: We sell them a lot of goods.

Mr. BENNETT: On what basis?

Mr. ILSLEY: On a c.i.f. basis.

Mr. BENNETT: What do you mean by c.i.f.?

Mr. ILSLEY: We can sell as low as we like to them.

Mr. BENNETT: No, we cannot.

Mr. DUNNING: There is no country of origin.

Mr. BENNETT: We sell our goods on the invoice price and we pay a duty on the invoice cost. Unless the Netherlands have changed, they used to have a provision by which a value could be fixed by the arbitrary act of their customs officials. It is difficult to understand why Canada should pass a statute to enable a foreign country to sell its goods more readily in this country by our disregarding the general principles which have governed. We are saying that we will take off all their internal taxes for the purpose of ascertaining the value of their goods. We are saying that the import, excise and other duties and taxes, in whole or in part, shall be disregarded. In other words, the Canadian will be able to buy these goods at thirty or forty per cent less than the price paid by the citizen of the Netherlands. This is done in order that the manufacturer in the Netherlands may more readily sell his goods in this country. That is very much at variance with the so often declared political economy of the minister. It is very much at variance with his ideas with respect to the freedom of trade.

Mr. ILSLEY: Some things I do may be, but this is not.

Mr. BENNETT: The poor Netherlands consumer must pay whatever they see fit to charge him in order that the Canadian consumer may get his goods a little cheaper.

Mr. ILSLEY: I admit that I have not had the Netherlands consumer in mind in framing this legislation. The objections raised by the