

various trading countries by the customs officers of those countries. Such regulations and interpretations are designed to unfairly tax imports from other countries and so prohibit or at least discourage trade in the goods so affected.

I may say that the classic example of the present day is the administration in the United States. As you know, the custom laws have plagued Canadian exporters; and an attempt has been made, and is still being made, to bring about a simplification of the law.

Hon. Mr. EULER: I was about to ask you if you had that one particular country in mind. Does it apply to other countries?

Mr. CORLETT: To give a rounded picture, I would say that Canada too has offended; but the policy of the government in recent years has been towards freer imports. I am thinking of the arbitrary valuation section in the customs act—I think it is either section 40 or 41—to which we resorted extensively in the depression days. What effect it had of a beneficial nature is hard to say. We have not resorted to it very much since 1945, for which importers are thankful; but nevertheless, that provision is still in the Customs Act.

The use of the invisible tariff by the United States has been very damaging to its trade with other countries from time to time. Canada too has from time to time and with the same damaging results made use of similar provisions contained in our own customs act such as the power vested in the Minister to determine the value for duty of the goods imported. Such valuations when applied are often unduly high with the result that trade in the articles so affected is discontinued.

*Quotas and Restrictions.*—The establishment of quotas and restrictions on the importation of goods from other countries has even a more damaging effect on trade than has the impact of a high customs tariff rate or a high customs tariff valuation. While the high customs tariff rate or valuation reduces and may even stop the flow of trade in goods so affected, the adoption of quotas or restrictions produces the same results and as a rule effects the prohibition or cessation of trade more quickly.

While the C.I.T.A. recognizes the right of any country to restrict the importation of certain goods from other countries which may be produced locally or nationally, this Association desires to point out that the cumulative effect of such restrictions is a sharp falling off in international trade.

The C.I.T.A. submits that if all trading countries in the free world would refrain from using these arbitrary methods, consumption throughout the free world would be increased and standards of living raised in all trading countries.

May I make one comment there by way of elaboration, which is in favour of the recent attitude of the Canadian government to the Geneva Agreements which, if and when they are ratified by the member countries, will to a large extent take care of quotas and restrictions. As we all know, unfortunately we are operating under a provisional protocol, and what will happen after the end of the year is hard to predict. In fairness to the government I must say that I believe it has gone about as far as it could. But as I say, the Agreements have never been ratified; I suppose the others are waiting until the United States takes the initiative. But if the principles which are embodied in the abridged Geneva Agreements, as distinct from the grandiose international trade charter which was drafted at Havana, is implemented and made binding upon the trading nations, then the problems relating to quotas and restrictions, which is so damaging to foreign trade, will be largely taken care of.

*Accessibility to Markets.*—The C.I.T.A. is strongly of the opinion that only by making the national markets of the free world accessible to its member countries can trade and employment be sustained and increased. Raw materials must be made available to all countries desiring to purchase those raw materials