

cent, or whatever is necessary. Let us know what it means. When I buy a car anywhere in the United States for \$2,000, and I find I have to pay on a valuation of \$2,100, I maintain the department is getting money out of me by subterfuge. It is a dishonest practice, something that would not be tolerated in connection with any other business in the country. Surely the department can be open and above-board and put on sufficient duty if they think 35 per cent is not enough. Let us know precisely just what we are obliged to do.

Mr. LADNER: Under the original proposal, which properly and frankly placed in the hands of the minister power to fix a value so as to protect a similar article in Canada, the importer knew exactly where he was at. Under the old practice the value of the article, let us say a second-hand motor car, was supposed to be the home consumption value, but when you buy that car on the market in Los Angeles for \$400 or \$500 and bring it up to Canada, by some method or another the customs officials arrive at the value of that car by estimating depreciation over a series of years. That depreciation is calculated arbitrarily so as to make the value for duty purposes in Canada such as to give protection to similar articles produced in this country. I am in favour of protecting the articles produced in this country, but what I am putting to the minister is this: Under what authority or by what provision of the law have the officials of the department the right to fix a depreciating value instead of taking the actual home consumption value?

Mr. ROBB: They are working under sections 41 and 42, which authorize them to determine the fair market value.

Mr. LADNER: I am pointing out to the minister, and I do not think he will deny, that the officials do not fix a fair market value. The fair market value is a question of fact to be determined from the evidence on the spot where the markets are. In this case it would be the price of cars in California. What they do is to put an arbitrary value on the car, and I believe they do it without authority. I am asking the minister if they have authority, and whether it would not be better—I think it would be much more honest to the people of this country—to maintain the provision he is now proposing to repeal, and give power to the minister to put a value on the imported goods. I would like my question answered—whether the act gives authority to anyone to make an arbitrary

discount each year for depreciation, instead of taking the home consumption value.

Mr. ROBB: I have only to answer my hon. friend again that the officials are operating under the clause which empowers them to determine the fair market value. There is also a provision in the Customs Act—I have not the clause before me at the moment—for an appeal to a board of arbitration.

Mr. CLARK: I am not clear as to the meaning of the words "the value thereof for customs entry." I understand the article would be valued at the home consumption value now. Under the proposed section will the article be valued according to the home consumption value, or according to the value in the market where purchased, or will it be valued arbitrarily by the opinion of the customs officials? It must be one of the three.

Mr. ROBB: It is arrived at under the terms of the Customs Act.

Mr. CLARK: What are the terms of the Customs Act as to "the value thereof for customs entry"? What do these words mean? I am putting three propositions to the minister, and it must be one of the three, I should think.

Mr. ROBB: My hon. friend misunderstands me, that is the clause I am striking out.

Mr. GOULD: I should like to ask the minister what law he would invoke if, as a result of wheat in the United States being ten cents per bushel lower than Canadian on the average, as it was this year, if the millers of Canada could take advantage of that lower price to import American wheat and use it in their mills?

Mr. ROBB: My hon. friend, who is a grain man and I believe knows as much about the grain trade as anybody, in Canada, must be aware that under the act, as it now is and has been for many years past, the millers of Canada can import wheat from the United States just the same as American millers can import Canadian wheat and mill it in bond for export.

Mr. GOULD: One of the reasons why it would not have been economical to do that in the past is that this is the first year that Canadian wheat has been quoted at a higher price than American wheat. This new condition has obtained since the harvesting of the crop of 1924-25 for the first time in our history. I am not asking that the dumping law should be enforced, and therefore am