

Customs Act

for 1952 of fibres, textiles and textile products for the first seven months of the year were \$109 million in round figures.

Mr. Croll: Give us the source.

Mr. Fleming: "Trade of Canada". In the first seven months of 1953 that figure had leaped to \$126 million. Now, sir, one has not available, so far as I am aware, in any government publication the figures subsequent to July 31, 1953, but it must be evident to all hon. members, in view of the fact that the government has at last acted on this problem, that the figures for the later months of 1953 on importation of textiles from the United States must have shown a continuing increase over the 1952 figures. I hope when we go into committee the minister will be able to furnish us with figures on importations for this present year that will bring us up to date, or reasonably up to date.

Sir, I do not need, I am sure, to dwell in this house on the importance of the textile industry to Canada. That has been emphasized with feeling and with eloquence in this house not only in past sessions but in recent days by hon. members on both sides of the house, speaking with great knowledge of the textile industry, particularly as it affects employment and prosperity in their own ridings.

The textile industry is a very large employer of labour, and today there exist in that industry acute conditions of unemployment and operations on short time. The Canadian textile industry has been almost exclusively a manufacturer for home consumption. It is not an export industry; but, apart from certain very large industries, there are scattered throughout many communities in Canada a large number of relatively small plants engaged in the manufacture of textiles, and those plants are of great importance to their local communities.

Sir, dumping is an obvious and existing fact. Whence does it come? It comes, sir, from the United States. No one, so far as I am aware, has contended that there has been any dumping from United Kingdom sources. The United Kingdom and the United States are our principal sources of textile imports. It is not therefore to be inferred that this bill is going to affect in any way our imports from the United Kingdom.

The relationship of this bill to GATT would naturally cause all hon. members to examine it closely. I am sure it is the desire of all hon. members that Canada should scrupulously honour all her obligations under the general agreement on tariffs and trade. We

do not wish to copy the example, the unfortunate and lamentable example, of the United States congress in violating not only the spirit but also the letter of GATT.

This measure, as we are assured by the government, is not a retaliatory measure. As the minister has clearly pointed out at page 674 of *Hansard*, the general agreement on tariffs and trade specifically contemplates that any member may take measures of this kind to meet conditions of the kind that this bill is intended to meet. He said:

I should make it clear to the house that the proposed amendment is fully consistent with our international obligations. Our trade agreements including GATT recognize the right to deal with dumping. Indeed, if there were no provisions to deal with undervaluation it would not have been possible to make the progress we have made in reducing tariff rates and other barriers to trade.

Therefore, Mr. Speaker, let us assure ourselves and let us assure Canada that in proceeding along the lines proposed in this bill we are proceeding strictly in harmony with both the letter and the spirit of the general agreement on tariffs and trade.

Sir, what is the principle of the bill, brief as it is? As I understand it, Mr. Speaker, the principle of the bill is to strengthen the Customs Act to prevent dumping. Sir, if that be its principle, then I hope that the house will find itself in a position to give endorsement to it notwithstanding its very manifest inadequacies and imperfections.

Is something of this kind necessary? Is the present law so weak that it requires strengthening? Mr. Speaker, I do not intend to review the subject in too great detail. The minister himself made a lengthy statement on this matter in the house on March 12, 1952. The law on this matter is to be found in section 35 of the Customs Act and in section 6 of the Customs Tariff Act. The combined effect of these two sections is to give power to the department to place valuations—call them arbitrary if you wish—in accordance with the provisions laid down in these two acts, where the invoice price of goods imported into Canada represents such a low price as, speaking broadly, will impose upon Canadian producers unfair competition.

If hon. members were to examine the provisions of section 35 I am sure it would strike many of them as a little difficult to understand why these provisions are not adequate. For instance, we have in section 35, subsection 1, the provision that:

Whenever any duty *ad valorem* is imposed on any goods imported into Canada, the value for duty shall be the fair market value of such or the like goods when sold for home consumption in the ordinary course of trade under fully competitive conditions, in like quantities and under comparable conditions of sale at the time when and place whence such goods were exported by the