

Mr. LAIDLAW: Thank you, sir. When the Minister proceeded further along these same lines I gathered he felt it would be unwise to amend section 38, for example, so that fair market value in so far as drugs and medicines are concerned, to give it a fixed value such as, for example, the cost of production in the home country plus say 5, 10 or 15 per cent for gross profit, and if this were done it might open up a Pandora's box which would bring many pressures on the Department, and this proposal — I do not know just who originated it — would presumably not be entirely satisfactory? In other words, by making one remedy you might create more ills?

Mr. HIND: This is correct sir.

Mr. LAIDLAW: Going one stage further, Mr. Benson, into the anti-dumping duty, section 6 of the customs tariff where it discusses not only goods in kind being imported into Canada but goods of a class or kind imported into Canada, I believe, sir, and I hope I have not misinterpreted your statement, that if the word "class" were removed from that section this might be unfair to the pharmaceutical industry generally, and that eventually predatory dumping might come about.

Mr. HIND: This would require a change in the law. If you removed the word "class" it would narrow the coverage which grants protection to Canadian manufacturers; this would apply not only to drugs and pharmaceuticals but it would apply to all other goods imported into Canada, because we would have to give the same interpretation to the word "kind" as it applies to all imports, not only drugs and pharmaceuticals.

Mr. LAIDLAW: Could not the section be amended, for example, where the word "class" would be omitted with reference only to ethical drugs and medicines?

Mr. BENSON: You would have to have a new section if you wanted to do that rather than changing the general section. It would, of course, establish a precedent within the Customs Tariff Act. It is a decision of course, which would have to be made by Parliament.

The class or kind rulings we make, and I am not just speaking of the pharmaceutical field, are not always very popular with some of the countries that ship to us. A step in this direction would undoubtedly bring pressure with regard to other goods as well, I think, and the Government would have to decide whether in making this kind of a change it would be willing to face up to the matter in other situations.

Mr. LAIDLAW: I can quite understand that. Those are all the questions I have, Mr. Chairman, at least all that I was able to formulate during this period.

The CHAIRMAN: May I ask one question here? In line with Mr. Laidlaw's question, I wonder if the Minister or his officials could tell us how often, in the drug or pharmaceutical industry, dumping duty has been applied in the past.

Mr. HIND: It is almost impossible for us to present any figures in this regard. I would say that dumping duty actually is not collected very often. When it is, it is very often done at the level of the port of entry and headquarters never hear about it. I would feel that we would not be able to establish the amount of dumping duty that is collected on drugs or pharmaceuticals.

The CHAIRMAN: It functions more as a threat than being in use?

Mr. HIND: Yes, this is true.