

Supply—National Revenue

has improved. We know that the legislation is being complied with and we think that in part at least this is due to the passing of the section itself.

Mr. Chevrier: May I ask the minister a question? Is it a fact that section 39 of the act is not being invoked in connection with dumping or alleged dumping?

Mr. Nowlan: We actually have not used section 39 at all. We have not used that specific section but, as I said, I think the fact it is in the background has had a great deal of effect.

I want to mention casually and very briefly some of the things we have done in connection with the textile industry and without enumerating too much. As the hon. member for Laurier pointed out, we have increased our staff. We have increased the number of appraisers and have sent them around the world. We have strengthened that branch of the staff tremendously and we are reaping great results because of that. Our appraisers have had special warning about vigilance and checking more closely than they had in the past. A whole series of instructions have been issued to our officers with respect to these matters and, although I cannot point specifically to the result of this or that, we believe and are informed that there has been a substantial improvement in the situation because of that.

The values of imported textiles are constantly under review and every complaint which the department receives with respect to valuation is investigated by competent officials. We now have seven stationed in foreign countries. The appraisers on the headquarters staff in Ottawa are travelling all the time to various portions of the United States for the purpose of investigating and checking on values, complaints and so forth.

With respect to the matter of invoicing, we have also tightened up in that regard. To assist in the detection of undervaluation, exporters are now required to show technical information on invoices and to attach samples of the goods to the invoice so that we can check on those samples and make sure they are in keeping with the invoice which purports to cover them. We have issued other instructions to our officers dealing with these matters. We have given a course on textile cost accounting to all our appraisers. They have been instructed in these matters and we believe they are thoroughly efficient and are carrying out the law as it is today to the limit of the extent to which it can be enforced and maintained.

We did bring seconds within the purview of the Customs Act in so far as dumping is concerned. Heretofore seconds were not included. Approximately a year ago we brought seconds under the act by order in council to protect against dumping. Seconds of course, comprise a very substantial portion of our textile imports because seconds from the United States are a very good class of goods. They are a substantial portion of our imports and by bringing them within the purview of the act we have improved the situation materially.

Reference was made by the hon. member for Laurier to importations from Japan and China and the action taken by the Minister of Finance in co-operation with the Japanese government with respect to the acceptance of quotas by that government. There is nothing much I need to say on that matter in addition to what has been said by the Minister of Finance. The department is administering the provision. I have imposed dumping duties on textiles from China. We have imposed very heavy duties against the protests, of course, of various importers who thought their valuations would be accepted but we refused to accept them. We are still continuing that course of action.

There are other matters, of course, such as discounts. We started to check on this matter a year or so ago and we found that discounts being authorized on imports of textiles were very substantial. As I reported to the house some time ago, we revised these discounts. We issued a new bulletin, appraisers' bulletin No. 12, and whereas discounts had run as high as 20, 25 or 30 per cent we reduced them substantially on the great majority of imports. On cotton sheets, cotton pillow cases, twill and clothing sateen we reduced the discount in each case to a maximum of 5 per cent and 10 per cent on denim. This has made a substantial contribution to the textile industry.

Far be it from me to say that the condition of the industry is good. It is not, and it is a matter which is causing us concern at all times. However, I can say this without fear of contradiction, that if it had not been for some of the steps we have taken and the action which this department has carried out as well as the investigations which are constantly carried out, bad as the condition of the industry is today, it would be infinitely worse if those actions had not been taken.

Mr. Chevrier: It could hardly be worse in certain areas.

Mr. Nowlan: I am not trying to justify the situation. This is a matter over which this department has no control. We have administered the law to the extent that it is