

basis for the regulation-making authority regarding the conversion of foreign currencies to equivalent values in Canadian dollars.

The Special Import Measures Act provides for the imposition of anti-dumping duties when Canadian producers are injured by goods imported at prices lower than in the exporting country itself. It also provides for the imposition of countervailing duties on injurious imports of goods subsidized by foreign governments. It sets out the procedures to be followed in both cases.

Under the current regime, the Department of National Revenue is responsible for investigating dumping and subsidization where they are of the opinion that the alleged dumping or subsidization is causing injury to Canadian producers. The Anti-dumping Tribunal, which will be renamed the Canadian Import Tribunal under the proposed Act, conducts the formal inquiry into the alleged injury. I should stress here that Canada's international obligations under the GATT require that anti-dumping or countervailing duties be imposed only where it has been determined that there is a direct link between the dumped or subsidized imports and the material injury to Canadian producers.

The proposed Act would bring the following main changes to the current anti-dumping and countervailing duty legislation. First, the Act would provide for parallel procedures in anti-dumping and countervailing duty cases. While there are similarities in current procedures there are also important differences that the Act would eliminate. Under the new legislation, the degree of ministerial discretion at various stages in the countervail proceedings will be reduced, thereby making the system more automatic as in the case of anti-dumping. Moreover, the new legislation will permit the investigation of countervail cases where the Canadian industry has only a small share of the domestic market or where subsidized imports are retarding the establishment of a domestic industry, as is currently the case for dumping. These and other changes I shall describe to the countervail system should make it a more responsive instrument of trade policy and increase public confidence in it.

Second, under current procedures there are no specific time limits in law for the conduct of dumping or subsidy investigations. This has led to criticisms that our procedures are too slow to be effective and created uncertainty for all parties in proceedings. The Act would provide strict time limits for the conduct of investigations into dumping or subsidization. The limits would reduce the time between the submission of a complaint by Canadian producers and the decision whether to impose provisional duties from the present six to ten months to four months in the future in most cases.

There is currently no specific legal authority for the acceptance of undertakings from exporters or their governments to eliminate the dumping or the subsidy. This procedure is permitted under the international agreements on anti-dumping and countervail. It is essentially intended to eliminate the injury caused by dumped or subsidized goods more quickly than possible with a full-scale investigation and inquiry.

### *Special Import Measures Act*

Hence, it reduces the burden both in time and expense on all interested parties.

The Act allows for the acceptance of undertakings. I wish to stress here that undertakings would be voluntarily offered by exporters of foreign governments. Before accepting an undertaking, all interested parties, including the complainant, would be consulted. They would be free for up to 30 days after the undertaking has been accepted to request that the normal procedures be resumed.

Third, the sub-committee on import policy recommended further study of the problems of the capital goods sector. The Government has decided that it was important to address these problems now. The Act and the draft regulations made public in December contain provisions which would deal with many of the specific problems that have been raised by this industry, including those relating to the measurement of concessional export financing for the calculation of normal value and export price in dumping cases. The Act would also allow for appeals to the tribunal of any decisions made by Revenue Canada regarding the identity of the importer, an issue of considerable importance to the industry.

Fourth, at the same time as the Government wants to make Canada's anti-dumping and countervail system more effective in dealing with the injurious dumped or subsidized imports, it also wants to ensure that the system is fair and equitable. In this regard the Act will allow for the public interest to be taken specifically into account. Consumers and users, among others, will be permitted to present their views to the tribunal, which in turn may recommend application of less than the full amount of the anti-dumping or countervailing duties if in its opinion a full assessment would not be in the public interest.

The Act would also allow Revenue Canada's initial injury determinations to be challenged in an appeal to the tribunal in the same way as the legislation now permits a complainant to appeal a decision by Revenue Canada not to initiate an investigation on the basis of lack of evidence of injury.

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Moreover, the Act would provide for sunset clauses. Undertakings and findings by the tribunal would lapse after a specified period of time unless a review by it leads to a determination that there is still a need for the measures. Similar sunset provisions are proposed regarding measures taken in emergency safeguard situations to deal with injurious imports which are not necessarily dumped or subsidized. This will ensure that any measure of protection against injurious imports is periodically reviewed to assess its need.

Fourth, the Act provides for greater public disclosure and better access to information in the case of investigations by Revenue Canada, while protecting information which must legitimately remain confidential. This should enhance public confidence in the import regime and is in keeping with our international commitments.

I should like to turn to the second part of the Bill dealing with other amendments which relate essentially to the Customs Tariff and Export and Import Permits Act. They are