

*Customs Act*

7, just three days ago. As reported at page 673 he said, referring to section 35 of the Customs Act:

Section 35 provides the definition of value for duty required in carrying out these functions.

By and large this basis of appraisal of values for customs purposes has worked reasonably well. However,—

And I ask you to note these words.

—it has been found in practice that the section as it is now worded has not been fully adequate to deal with certain practices which in fact constitute a special kind of dumping.

It will occur to every member at once to ask when it was found, in practice, that the section as it is now worded was not completely adequate. Is this something that has just suddenly been discovered?

Again we find the minister saying, as reported at the top of page 674:

A number of cases have recently been brought to the attention of the government where the application of section 35 of the Customs Act has permitted the importation of manufactured goods into Canada at values which, while strictly speaking the same as those prevailing for the moment in the domestic market of the country of export, are nevertheless abnormally low.

Then he goes on by way of illustration to refer to a practice which, as he says, had been discovered recently. These are his words:

The flow of imports resulting from these conditions does not reflect the true competitive position of the Canadian industry concerned. In the textile industry, for example, as the season abroad advances or as inventories of some items accumulate, certain lines are closed out and placed on the market at prices substantially less than those previously effective. The importation of such goods into Canada at abnormally low prices may cause injury to Canadian industry which is not in any real sense related to its relative efficiency or productivity.

Note, if you will, that those words of the minister follow his statement that a number of cases have recently been brought to the attention of the government where the application of section 35 of the Customs Act has apparently not been adequate to meet the needs of the situation.

I am going to submit, Mr. Speaker, that this is not a new situation. This is not something recently discovered. This is not a matter that rests upon certain cases which have recently come to the attention of the department. In my submission this is a practice that has been known for a long time. It has been a prevailing practice for a very long time; and in its present acute form it is not new either in nature or in acuteness. It is true that the situation has been developing by reason of the inaction of the government, until a situation has now been created where the industry to which the minister

made special reference—the textile industry—is suffering very acutely. But let no hon. member think that this is something that has just occurred overnight; it is something that has gone on for a long time. The minister has had his eyes closed and his arms folded while this situation developed.

He singled out the textile industry for special mention, but it is known that other industries are also acutely affected by dumping from the United States. One might mention the electrical goods and household appliances industry. Sir, one has only to thumb back over the pages of *Hansard* to see how often and how directly hon. members in this house, like the hon. member for Lanark (Mr. Blair) and the hon. member for Broadview (Mr. Hees), have raised this question and brought it directly to the attention of the minister. But we could not get any action out of the government. We could not get the government even to admit that there was a problem here in any form. Everything was beautiful!

Well, the government apparently at last has been persuaded that the situation has developed in an acute form, where the Canadian industry concerned is being submitted to conditions that are utterly unfair and which, as the minister says, permit a condition where “the importation of such goods into Canada at abnormally low prices may cause injury to Canadian industry which is not in any real sense related to its relative efficiency or productivity”.

Sir, let us agree that we are not dealing with a situation traceable to any inefficiency or lack of productivity on the part of the Canadian industry. We are dealing, by the admission of the minister and the government, with a situation where Canadian industry is being unfairly submitted to abnormally low prices. I am suggesting, indeed I am urging it upon the house, Mr. Speaker, that now, after the situation has been allowed by the government to become so acute, we may be doing little more than locking the door after the horse has been stolen. But, sir, it is better late than never, and even at this late date we do welcome it.

We have not been given any recent figures from any government source, so far as I am aware, on the importation of textiles or electrical goods or household appliances from the United States. The last figures issued, so far as I am aware, are those for the first seven months of this calendar year, up to the end of July. They show that, as compared with the first seven months of 1952, there had been a very substantial increase in imports of textiles from the United States. The figures