

Customs Act

instructions stated that the following amendment to section 35 of the Customs Act had been introduced in parliament, and then the amendment is quoted. The instructions then went on to say:

To give effect to the purpose of this amendment, collectors, appraisers and any officer acting as appraiser are instructed to closely scrutinize invoice values of all manufactured goods, comparing such values with home market values shown and certified on previous importations of the similar goods by the same or other importer. In any cases where invoice values indicate price decline such as is contemplated by the foregoing valuation provision, or the values appear abnormally low, the importer is to be advised that the entry may be subject to amendment in accordance therewith. The invoice is to be forwarded to the department with as full information as possible and the reasons for believing that the value shown is below the normal value, in order that the matter may be inquired into and the value for duty established as provided for by the new subsection of section 35.

There is a careful scrutiny made of all these invoices. If it cannot be determined at the point of entry what the invoices should be, then they are referred to the office in Ottawa, where our chief appraiser for the whole dominion and his staff operate.

Mr. Hees: A few moments ago the Prime Minister said the United States administration recommended this definition of fair market value to congress, and congress rejected it. I think it is obvious that congress would reject it, because it is an unworkable measure.

Mr. St. Laurent: Well, they are going to try.

Mr. Hees: I believe the minister and his department know it is unworkable. In many cases it will take months to determine the value of goods on a six-months weighted average basis. It is going to take an army of customs inspectors to do it, and that is going to effectively block the importation of most goods that we bring into this country. When goods are landed in Canada importers must know immediately what valuation they have so the goods can be put on the market, priced and sold. If the importers have to wait an indefinite period of time, then the selling season might easily be over by the time they received a price from the department. Then the goods would be of no value.

I feel that this measure is going to block a large volume of imports into this country, including goods brought in at a fair and reasonable market value. Another thing which this measure is going to do is that it will have a serious effect on our exports. If we impose a measure like this against people who want to ship goods into Canada, it gives them justification for imposing such a measure

[Mr. McCann.]

against the exporters in Canada who wish to sell goods in other countries. If our exporters are faced with a complicated measure like this, it is going to have a very serious effect on Canadian exports. I believe that is something which must be given serious consideration by the government, because this country relies on its export trade.

Now, Mr. Chairman, what we want in this measure is very simple. We want a measure that is going to protect the jobs of Canadian workmen against unfair importation practices. This could be done very simply if we were to go back to the pre-1948 definition of fair market value, which has been mentioned in this house several times today.

Before 1948 there was no dumping, and there was none of this trouble. If such a measure were adopted, it would do three things. First of all, it would stop dumping; secondly, it would not interfere with the importation of goods which come into this country at a fair market value; third, there would be no chance of jeopardizing our very important export trade.

Instead of introducing a measure which I feel confident the minister and his department know is not going to work, we should go to other members of GATT and point out the problem with which we are faced. We should ask them to go back to the simple, workable definition of fair market value which prevailed before 1948, and in that way clear up this serious trouble with which the industries throughout Canada—not just the textile industry—have been faced. I think we owe that to the exporters, the importers and our workers. I would urge the government to take this constructive step, instead of deliberately bringing in a measure which would not have a good effect. I believe the aim is correct, that of stopping dumping, and to protect the jobs of Canadian workmen. We agree with that. But we do not agree with a method which we know will not work, and which is simply going to make things very complicated for people engaged in business throughout Canada. That, in turn, will have a very serious effect on the employment of Canadian workmen.

Mr. Maltais: Mr. Chairman, in connection with what has been said by the hon. member for Broadview, I should like to ask for some further information from the Minister of National Revenue. Listening to the remarks of the hon. member I was wondering if he was fearful of the position of importers into Canada, in the light of the way this new system of valuation would apply. The bill states that it will have application to goods which qualify under two headings.