

*Customs Act*

which would be reasonably effective and could be worked, so perhaps we may rest in hope that before this discussion is through we may be able to satisfy the government that this plan is not going to work very well, and possibly we may bend our efforts to that for the moment. The Prime Minister has given us his opinion in the course of the discussion that the actual plan described in subsection 3 was in effect discussed by those concerned in GATT, and he feels that in the light of that we cannot go back to the pre-1948 practice. That seems to me to answer my question on that point unless we are able to satisfy the Prime Minister later on that this plan is so unworkable that we may get him to change his mind.

**Mr. St. Laurent:** Mr. Chairman, it is not the government that the hon. member would have to satisfy that you can go back to the pre-1948 practice and still comply with GATT. It is the other members of GATT. They would regard a return to the 1948 situation as a clear violation of the undertakings of GATT. We hope that none will regard this procedure as a violation of the undertaking, and we feel that our American friends will not even venture to say that they think it is a violation because they themselves recommended it to congress some months ago as being something that would comply with their obligations under GATT.

**Mr. Macdonnell:** I would think the Prime Minister is fully justified in saying the United States would find great difficulty in criticizing us. I think he could go farther and say they could hardly criticize us, in the light of what has happened, even if we had gone back to 1948.

**Mr. Cameron (Nanaimo):** In view of the Prime Minister's remarks, I should like to ask him just how one determines fair market value except in relation to the cost of production?

**Mr. St. Laurent:** There are many traders who, over many years and decades, have gone into bankruptcy because there was not the relationship between fair market value and the cost of production. Their cost of production was out of line with the fair market value, and they were not able to continue in business.

**Mr. Cameron (Nanaimo):** I must say that seems to be arguing in a circle. However, I shall take that answer as it is. There is another matter that came up while the minister was speaking about which I was a bit puzzled. It bears on this question of the relationship of fair market value to the cost of production, and with all due deference to

the Prime Minister I insist there must be some relationship at some point between those two factors.

In the last part of his remarks the minister mentioned invoices which I gathered were the basis upon which decisions were made. I am rather puzzled as to the means by which these invoices came into the minister's hands. I am not suggesting there was anything improper, but were they part of the representations made by some industry who presented those invoices as evidence of dumping in Canada, or how did they come into the hands of the department?

**Mr. McCann:** In the normal course of business every importer who is collecting his goods must present his bill of lading or his invoice, and it is upon that we calculate the duty. If the invoice indicates an abnormally low price for the type of goods, and our information indicates it could not be sold for that price, we immediately make inquiry and find out what the proper price should be for those goods.

**Mr. Cameron (Nanaimo):** That brings me to the next question I want to ask. Who makes the decisions concerning this dumping in the first instance? I suppose these invoices come into the hands of your officials at the points of entry?

**Mr. McCann:** That is right.

**Mr. Cameron (Nanaimo):** Does the official at the point of entry decide, on the prima facie evidence of these invoices, that there is a necessity for investigation, or does he make the decision himself that these goods should be excluded? At what point does the minister intervene in the process?

**Mr. McCann:** Is your question directed to the change in the law if it comes into effect, or what has been the custom?

**Mr. Cameron (Nanaimo):** Either one; if we are to judge the future result of this amendment then we should have some information as to what has happened in the past.

**Mr. McCann:** In the natural course of events the customs officials at the point of entry, in the larger ports, call upon appraisers who are trained in the appraisal of certain lines of goods. For instance a man might be trained in hardware, and he would not be given the appraisal of textile materials or any other line of goods. He knows his business. If he has difficulty in making an appraisal, then he refers the matter to the head office in Ottawa.

Since this bill was introduced we issued certain instructions in this connection. Those