

Mr. BENIDICKSON: I would like to continue on with the general question of revaluation and imposition of dumping duties. It is now practically six months since certain amendments were asked for and obtained, by the minister, in respect of the Customs Act.

We have read in the press that during that period the department has not, on very many instances, found they required the new wording in the act to either revalue or to impose dumping duties. I am wondering to what extent the minister might inform the committee about the utilization of the new section within the first six months of operation?

Mr. NOWLAN: As I said before the committee, and in the house last year, the majority of those amendments were simply a codification or clarification of practices which had grown up throughout the years in the administration of this act. I found in some cases there was perhaps a real doubt as to the validity of the amount the department had taken. The sections were amended to clear up any doubts which had been expressed either in the courts or in connection with our administrative practice. In other words, I tried to make an honest woman out of the department in carrying out the work it had to do. That is, with respect to everything except section 39, which was new. That is the cost-plus section; and under section 39 we have taken no action whatsoever. There have been no orders made or valuation fixed under section 39.

Mr. BENIDICKSON: There is one section where the minister is obliged to get authority from cabinet to set the revaluation.

Mr. NOWLAN: That is the old section which was there before. That is to determine the value, where no yardstick can be fixed. I did that in connection with the valuation, for instance on Chinese textiles. They had the approval of cabinet for the method which I recommended in that particular case, the comparison with the United States. I have to recommend to His Excellency the Governor in Council, a method which is approved, as it was in this case, by the governor in council.

Mr. BENIDICKSON: Were there others?

Mr. NOWLAN: The bristle case is another.

Mr. BENIDICKSON: The bristle case is on the same plane.

Mr. NOWLAN: Yes, you had to determine a method.

Mr. GRAFFTEY: I noticed right after the minister made his announcement on this subject last session that the debate on the same took the form of a debate on the ordinary classified tariff lines. I think it might help if the minister would explain to the committee the difference between the ordinary duty for dumping and ordinary tariff or custom duty. I think there is a great deal of confusion in the public mind in regard to this subject; certainly there was in the debate. I think it would be good to start with a clarification of it.

Mr. NOWLAN: I would prefer that my officials give you specific examples of the way the dumping duty would apply. They are more conversant with the situation.

Of course, the dumping duty only applies to a class or kind of goods which are made in Canada. Then when you find these are being sold and are being brought in here below the fair market value, as determined, then if it is goods of a class or kind made in Canada the dumping is applied by taking the difference between the duty that was assessed when it came in on the value allowed, and on the duty which is allowed on the fair market value.

The CHAIRMAN: I think we should deal with this matter when we have the officials before us.