HOUSE OF COMMONS
CANADA

REPORT ON

THE SPECIAL IMPORT MEASURES ACT

BY

THE SUB-COMMITTEE ON IMPORT POLICY

OF THE

STANDING COMMITTEE ON FINANCE,
TRADE AND ECONOMIC AFFAIRS

JUNE 1982

SUB-COMMITTEE ON IMPORT POLICY

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Chairman: Mr. Bryce Mackasey, M.P.

CHAMBRE DES COMMUNES

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Président: M. Bryce Mackasey, député

Minutes of Proceedings and Evidence of the Sub-committee on

Import Policy

Standing Committee on Finance, Trade and Economic Affairs

Procès-verbaux et témoignages du Sous-comité sur

La politique d'importation

Comité permanent des finances, du commerce et des questions économiques

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RESPECTING:

Proposals on Import Policy

INCLUDING:

Final Report

CONCERNANT:

Propositions relatives à la politique d'importation

Y COMPRIS:

Rapport final

First Session of the Thirty-second Parliament, 1980-81-82

Première session de la trente-deuxième législature, 1980-1981-1982

SUB-COMMITTEE ON IMPORT POLICY OF THE STANDING COMMITTEE ON FINANCE TRADE AND ECONOMIC AFFAIRS

Chairman: Mr. Bryce Mackasey, M.P.

SOUS-COMITÉ SUR LA POLITIQUE D'IMPORTATION DU COMITÉ PERMANENT DES FINANCES, DU COMMERCE ET DES QUESTIONS ÉCONOMIQUES

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(Quorum 2)

Le greffier du Comité

David Cook

Clerk of the Committee

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The Standing Committee on Finance, Trade and Economic Affairs has the honour to present its

FOURTEENTH REPORT

In accordance with its Order of Reference of Wednesday, July 16, 1980, your Committee assigned responsibility for the study of the discussion paper entitled, "Proposals on Import Policy", to a Sub-Committee.

The Sub-Committee on Import Policy has submitted its final report to the Committee. Your Committee has adopted this report without amendment and asks that the Government consider the advisability of implementing the recommendations contained in the report. The full text of the report appears in Issue No. 31 of the Sub-Committee on Import Policy.

Table of Contents

Summary of Recommendations

The Sub-Committee on Import Policy makes the following recommendations in relation to the Discussion Paper "Proposals on Import Policy":

Proposal 1: *The anti-dumping and countervailing duties legislation should place specific time-limits on the various stages in the investigation of dumping or of subsidization as well as in the conduct of injury inquiries. To complete cases more rapidly the Department of National Revenue's investigation of dumping and subsidization and the Tribunal's inquiry into injury should coincide to a greater extent than at present.*

1. The sub-committee recommends that the specific time limits set out in this proposal be enacted into legislation. (13)*

2. The sub-committee recommends that Revenue Canada be required to confirm within 21 days of receiving a complaint whether or not the complaint is properly documented and if not, to indicate what information will be required to properly document the complaint. (13)

3. The sub-committee recommends that the limited recourse to the Anti-Dumping Tribunal provided for in sub-section 16(4) of the proposed legislation be broadened to allow the exporter/importer the option of requesting an opinion as to the existence of injury. (13)

Proposal 2: *The new anti-dumping and countervailing duties legislation should permit the suspension of investigations if price undertakings have been accepted by National Revenue from exporters who are dumping, or price or quantitative undertakings from exporters and their governments in the case of subsidized exports to Canada.*

4. The sub-committee recommends this proposal be accepted. (17)

5. The sub-committee recommends that Revenue Canada be required to review the acceptence of undertakings at specified intervals. (17)

*Recommendations can be found in text on pages indicated in parentheses.

Proposal 3: *The new countervailing duties procedure should generally parallel the anti-dumping procedures.*

6. The sub-committee recommends this proposal be accepted. (18)

7. The sub-committee recommends that the proposed legislation should set out the anti-dumping and countervailing provisions in separate sections of the same act. (18)

Proposal 4: *The new anti-dumping legislation should provide authority for the establishment, in exceptional circumstances, of a "basic price system".*

8. The sub-committee recommends that this proposal should not be implemented. (20)

Proposal 5: *The criteria for finding injury and the new definition of "regional industry" contained in the international agreements on Anti-dumping Duties and on Subsidies and Countervailing Duties should be taken into account by the Tribunal.*

9. The sub-committee recommends that the injury criteria specified in the GATT Anti-dumping code be adopted into Canadian legislation as a reference for injury inquiries. (21)

10. The sub-committee recommends that the new definition of "Regional Industry" contained in the GATT Anti-dumping code should be taken into account by the tribunal. (21)

Proposal 6: *Existing Canadian legislation permitting imposition of import quotas based on an injury finding by the Textile and Clothing Board (TCB) or the Tribunal should be maintained. However, there should also be provision to place products on the import control list for monitoring purposes based on a recommendation of the Tribunal or the TCB.*

11. The sub-committee recommends this proposal be accepted. Permits required for imports subject to monitoring should be freely and quickly available to importers. (22)

12. The sub-committee recommends that where goods are subject to import monitoring, the need for such monitoring should be reviewed periodically, and not less frequently than once every two years. (22)

Proposal 7: *Section 8 of the Customs Tariff should be amended to permit surtaxes to stay in effect for more than 180 days without parliamentary approval in cases where the Tribunal or, where appropriate, the TCB finds, on a reference by the government, serious injury or threat of serious injury to Canadian producers.*

13. The sub-committee recommends this proposal be accepted. (23)

14. The sub-committee recommends that the use of a surtax should be reviewed annually following the date of its imposition. (23)

Proposal 8: *The legislative authority for applying surtaxes should also permit the application of surtaxes after certain quantities of a product have been imported.*

15. The sub-committee recommends this proposal be accepted. (24)

16. The sub-committee recommends that the proposal should specify a review period. (24)

Proposal 9: *The legislation should provide specific authority for Canada to take safeguard measures for balance of payments purposes.*

17. The sub-committee recommends this proposal be accepted. (25)

Proposal 10: *The government should have the power to suspend or withdraw rights or privileges granted by Canada to other countries and to impose surtaxes, quotas (or a combination thereof), or to impose countervailing duties, in cases where it is deemed to be appropriate to respond to actions by foreign governments which either affect Canadian trade in goods and services or impair Canada's rights under trade agreements.*

18. The sub-committee recommends this proposal be accepted. (26)

Additional Recommendations

National and Consumer Interest

19. The Tariff Board should be empowered to undertake a review of decisions made by the anti-dumping tribunal, when so requested by consumer advocates, and when in the opinion of the Board it is in the national interest to do so. (27)

Capital Goods Sector

20. The sub-committee recommends further study of the unique problems of the capital goods sector. (29)

Institutional Issues

21. The sub-committee recommends the role of the current import agencies be examined in relation to one another. (31)

Public Disclosure

The legislation should contain provisions;

22. Outlining a greater disclosure of the information collected by Revenue Canada during an investigation and the reasoning underlying its decisions. (34)

23. That all confidential information be accompanied by a non-confidential summary which indicates its general nature. (34)

24. That the government be given the right to disregard any confidential information not accompanied by non-confidential summaries. (34)

25. That the government review all information claimed to be confidential in order to verify that it must remain so. If it does not appear to be of a type that must be confidential, steps should be taken to convince the company to re-classify the information. (34)

I. Introduction

Canada has been an active supporter of the GATT and its objectives. The principal objectives of the GATT are to promote international trade and to reduce tariff barriers. These have been achieved to a remarkable degree. While there has been a measurable decrease in the level of tariffs, there has been a noticeable increase in the number of non-tariff barriers to trade. Recognizing this, the members of the GATT at the Multilateral Trade Negotiations in 1979, agreed to legislative measures to make it possible for its members to respond to unfair trade practices flowing from non-tariff barriers.

It is important for Canada to incorporate these measures in its legislation as many of our trading partners have done. Accordingly, the Standing Committee on Finance, Trade and Economic Affairs established, by a resolution of the House of Commons, a Sub-Committee with the mandate to review a Discussion Paper entitled, "Proposals on Import Policy". This Paper, prepared by the Department of Finance, includes ten proposals which affect important aspects of Canada's existing import legislation. Accompanying the paper was a draft Act and proposed regulations intended to implement these recommendations. This procedure permited the Sub-Committee to carry out a comprehensive review.

The title "Proposals on Import Policy", might lead one to conclude that the mandate of the Sub-Committee was to review Canada's Import Policy in its broadest sense; this was not the case. However, the Sub-Committee did examine other important issues not contained in the Discussion Paper. The Capital Goods Sector is vital to the Canadian economy and the Sub-Committee saw fit to make some specific comments concerning this issue. Additionally, the question of "national and consumer interest" as they might be affected by the recommended changes to existing legislation and policy was examined. Lastly, evidence was heard as to the effectiveness and efficiency of the institutions responsible for the application of import policy. The Report comments on the institutions involved, namely, the Department of National Revenue (Customs and Excise), the Anti-Dumping Tribunal, the Tariff Board, the Textile and Clothing Board, and the relationship between them.

The Members of the Sub-Committee are of the opinion that if the recommended legislative and administrative changes are implemented, Canada can look forward to faster investigations of dumping and subsidization, an effective system of negotiated price undertakings and a depoliticization of countervailing duty options.

II. Recommendations on the Discussion Paper Proposals

(i) Anti-Dumping and Countervailing Legislation

Proposal 1: *The anti-dumping and countervailing duties legislation should place specific time-limits on the various stages in the investigation of dumping or of subsidization as well as in the conduct of injury inquiries. To complete cases more rapidly the Department of National Revenue's investigation of dumping and subsidization and the Tribunal's inquiry into injury should coincide to a greater extent than at present.*

Proposal 1 of the Discussion Paper contains two distinct issues, namely, time-limits for the investigation, and simultaneous investigations by Revenue Canada and the Tribunal. Recommendations one and two relate to the issue of time-limits, recommendation three relates to simultaneous investigations by Revenue Canada and the Tribunal.

Recommendations

1. The specific time-limits set out in this proposal be enacted into legislation.

2. Revenue Canada be required to confirm within 21 days of receiving a complaint whether or not the complaint is properly documented and if not, to indicate what information will be required to properly document the complaint.

3. The limited recourse to the Anti-dumping Tribunal provided for in sub-section 16(4) of the proposed legislation be broadened to allow the exporter/importer the option of requesting an opinion as to the existence of injury.

Recommendation 1

This proposal is intended to correct one of the main objections to the present system cited by a number of witnesses appearing before the Sub-Committee. The implementation of the time limits set forth in the Discussion Paper will significantly shorten the time allowed Revenue Canada to complete its investigation, particularly at the preliminary stages.

The Sub-Committee is satisfied that Revenue Canada will, in normal cases, be able to complete its investigations within the prescribed time limits. In effect, a preliminary determination of dumping or subsidization under the new rules will, in fact, be truly "preliminary". Under the present system a preliminary determination is, for the most part, a final determination and is made in approximately six months. The Discussion Paper proposes to divide this six-month period; so that the first three months are devoted to establishing on a preliminary basis that dumping/subsidization does exist; and that it is sufficiently important for the Anti-Dumping Tribunal to assess whether the dumping/subsidization is causing injury to Canadian industry. The second three month period will be used by Revenue Canada to clearly establish the fact of dumping/subsidization, and to confirm the accuracy of its calculations. Accordingly its final determination will be available to the Tribunal before the Tribunal proceeds with public hearings and, at minimum, 30 days before the Tribunal must make its determination on the question of injury.

The Sub-Committee recognizes that it is the intent of the GATT Codes in these areas to provide for simultaneity in the investigation process and that there is a direct link between the dumping/subsidization and injury. The Sub-Committee believes that the proposal is in keeping with this intent. Under the proposal, the Tribunal will be in a position to take more fully into account the actual amount of the dumping or subsidization in its injury decision. These procedures will also ensure that the Tribunal takes fully into account the causation argument that anti-dumping duties or countervailing duties should only be imposed to offset the injurious impact of dumping or subsidization and not to correct an injury caused by outdated production equipment, poor sales efforts, poor quality or service, etc. This objective of the GATT Codes will be met under the proposed procedures.

There are other advantages as well. The new procedures will ensure that preliminary duties can be imposed more quickly, where warranted, so that Canadian industry will receive relief from the impact of the dumping/subsidization at a relatively early stage in the proceedings. There will be a reduction in the period of uncertainty for all parties involved in any particular case. Legislated time limits for various stages in anti-dumping and countervailing procedures should ensure that officials carry out their duties expeditiously and that the directly interested parties provide Revenue Canada with the necessary information in a timely manner. Importers and exporters, as well as Canadian industry, stand to benefit from a system which provides as little uncertainty as possible.

The Sub-Committee recognizes that there may well be instances where, because of the complexity of the case, the number of suppliers involved, the need for translations, etc., it may be physically impossible for Revenue Canada to complete its preliminary investigation within the 90 day time limit. The Sub-Committee thus accepts the 45 day extension contained in the proposed legislation for the handling of particularly difficult or complex cases. A period of 5 1/2 months following receipt of a properly documented complaint should be adequate to deal with the most complex case bearing in mind that Revenue Canada will still have a further 90 days of investigation time before it must make a final determination.

Recommendation 2

A concern was expressed by some witnesses that there have been instances where unnecessary delays have occurred in initiating an investigation. The reason given by Revenue Canada for such delays was that they had not received a properly documented complaint.

The Discussion Paper attempted to deal with this issue by providing that the Deputy Minister of Revenue Canada be required to initiate a case within 30 days of receipt of a "properly documented" complaint. The definition section of the draft Act specifies what is meant by "properly documented". While these proposals are steps in the right direction, the Sub-Committee is of the view that they do not go far enough. We believe that the proposed legislation should require that Revenue Canada, within 21 days of receiving any complaint, indicate to the complainant whether the complaint is "properly documented" and, if not, specify what additional information is required before an investigation can be initiated. This places obligations on both parties, i.e. the complainant to provide the necessary information and Revenue Canada to provide assistance in the compilation of the data. Further, this procedure should have the effect of eliminating frivolous complaints from Canadian producers.

Recommendation 3

In Recommendation 1 we referred to the importance of having greater simultaneity in our Canadian procedures between the dumping/subsidization investigation and the injury inquiry. Under the present system, Revenue Canada insists on having a properly documented complaint prior to the initiation of an investigation. The GATT Codes require that unless there is evidence of injury, the investigation must be terminated. Under the present system there appears to be little or no assessment of the injurious impact of the dumping/subsidization on the Canadian industry at this stage of the proceedings.

Some of our trading partners have raised this particular issue with the Sub-Committee suggesting that the Canadian system is unduly harsh. Provisional duties are applied by Revenue Canada upon a preliminary determination of dumping before there has been any inquiry as to the injurious effect of the dumped/subsidized imports. The concerns of our trading partners are recognized by the Sub-Committee.

The United States faced a similar problem when it revamped its antidumping legislation in 1979. At that time, it opted for a system in which the complainant is required to file its complaint with both the International Trade Commission (comparable to the Anti-Dumping Tribunal) and the Department of Commerce (comparable to Revenue Canada). Under U. S. law, the Department of Commerce must initiate an investigation within 20 days of receipt of a proper complaint, and the International Trade Commission has 45 days to inquire whether there is a "reasonable indication" of injury. In the absence of such "reasonable indication", the investigation is terminated.

In the course of discussions with American officials during its visit to Washington, the Sub-Committee gained the impression that their new procedure has greatly increased the cost of pursuing an anti-dumping or countervailing case in the United States. Indeed, it was suggested to the Sub-Committee that many small industries in the U. S. were reluctant to launch an anti-dumping or countervailing case because of the high costs involved. In most comparisons, small industry in the U. S. equates with large industry in Canada and for this reason the Sub-Commitee believes that a procedure similar to that used in the United States would not be appropriate for Canada.

At the other extreme, the European Economic Community has a purely administrative system, which provides no formal right to a public hearing or adjudication by an independent body. The Sub-Committee believes that this system is not adaptable to the Canadian situation.

Accordingly, the Sub-Committee sought other possible solutions which, while not imposing undue costs and delays on the parties involved, would go some way to meeting the concerns raised by our trading partners. At the same time, we recognize that the Anti-Dumping Tribunal, and not Revenue Canada, is the competent authority in Canada on the question of injury resulting from dumped or subsidized imports.

We believe there is a solution which does not require implementing fully simultaneous procedures. Sub-section 16(4) of the proposed Act provides that where the Deputy Minister terminates an investigation on the grounds that there is "NO" evidence of injury, the complainant may, within 30 days, refer the matter to the Tribunal for its opinion whether any evidence of injury does in fact exist. Sub-section 16(9) of the proposed Act requires the Tribunal to render its advice on the question within 30 days, without holding public hearings, on the basis of such information as is available to it.

The Sub-Committee proposes that the right of referral set out in Sub-section 16(4) be extended to the importer/exporter and, in subsidy cases, to the government of the country of export. This would provide a greater degree of simultaneity to our procedures.

Proceeding in this manner does, however, raise another important issue. As noted above, Sub-section 16(4) provides that there be "NO" evidence of injury. This has been interpreted over the years as meaning absolutely "not a shred of evidence". This raises the question as to the effectiveness of such an appeal procedure in the light of such absolute criteria. The United States has introduced the concept of "reasonable indication" of injury into the preliminary injury inquiry. The important point is that a judgement is required as to the adequacy of the evidence. We believe Canada should adopt a similar approach.

Proposal 2: *The new anti-dumping and countervailing duties legislation should permit the suspension of investigations if price undertakings have been accepted by National Revenue from exporters who are dumping, or price or quantitative undertakings from exporters and their governments in the case of subsidized exports to Canada.*

Recommendations

4. The sub-committee recommends this proposal be accepted.

5. Revenue Canada be required to review the acceptance of undertakings at specified intervals.

Recommendation 4

A price undertaking is a voluntary agreement by the exporter, acceptable to Revenue Canada and the Canadian producer, to uplift the price at which goods are sold to Canada by an amount which eliminates the margin of dumping or the subsidy or take other measures to eliminate the injurious impact of these practices. The proposed price or quantitative undertakings represent an addition to Canada's protection against unfair trade practices. They provide a quicker and less costly solution in those situations where the exporter prefers to proceed in this manner without going through the full normal investigative process and inquiry by the Tribunal. Undertakings can provide relatively quick relief to the aggrieved domestic producer by reflecting an agreed to price which eliminates the unfair practice. As many witnesses have pointed out, undertakings meet their concerns that the current system is too complicated, costly, and time consuming.

Undertakings have been used by the European Economic Community for a number of years and, indeed, the majority of their anti-dumping cases have been settled through this mechanism. The United States also incorporated provisions for undertakings in their 1979 Trade Act.

Accordingly, it is recommended that the new legislation should permit the suspension of investigations if undertakings have been accepted by Revenue Canada prior to the issuance of a preliminary determination. Consideration was given to accepting undertakings at any stage of the dumping or injury investigations. However, to do this would negate the objective of an undertaking. Limiting the period for the acceptance of undertakings provides an incentive for the parties to reach an agreemment in a timely manner. In addition, parties entering into an undertaking before the preliminary determination, avoid the costs and time required for a full scale inquiry by the Anti-Dumping Tribunal. The Sub-Committee is, however, conscious of the fact that it may only be toward the latter stages of

Revenue Canada's preliminary investigation that the exporter is convinced of the existence of dumping or subsidization and may only at that stage be prepared to offer an undertaking. For this reason, the Sub-Committee is of the view that the legislation should enable the Deputy Minister to extend the preliminary investigation period, by the 45-day extension provided for in exceptional circumstances, when he is of the view that such an extension might facilitate the offering of an undertaking by the exporter and such an extension is not opposed by the complainant.

The Sub-Committee has been cognizant throughout its hearings that dumping is only condemned by the GATT in those situations where dumping causes or threatens injury. Indeed, such dumping, where no injury is involved, can be particularly beneficial to Canadian consumers and provides incentive to Canadian industry to remain competitive by international standards. In these circumstances, the Sub-Committee was concerned that undertakings, as proposed in the Discussion Paper, would have been introduced without evidence of any injurious impact of the dumping/subsidization. The Sub-Committee's third recommendation offers assurance against this.

Recommendation 5

Once an undertaking has been put in place, it is the responsibility of Revenue Canada to monitor both compliance and continued necessity. Undertakings should be reviewed periodically to ensure that circumstances justify their continuation. The proposed Act does not provide a fixed time for reviewing undertakings to ensure compliance and continued need. The proposed Act should specify that the need for the undertakings be reviewed at least every two years. Also, during this period, any directly interested party should be able to formally request a review and Revenue Canada should be obligated to respond positively if the request is substantiated by factual information, clearly demonstrating, that new circumstances warrant a review.

Proposal 3: *The new countervailing duties procedures should generally parallel the anti-dumping procedures.*

Recommendations

6. The sub-committee recommends this proposal be accepted.

7. The proposed legislation should set out the anti-dumping and countervailing provisions in separate sections of the same act.

Recommendation 6

Recommendations one to five dealt with the need to revise current countervailing and anti-dumping procedures to reflect recent changes embodied in the new GATT Codes.

Problems of subsidization and dumping are closely related, a fact recognized in the strong similarity between the procedures and provisions of the GATT Anti-Dumping Code and the Subsidies and Countervailing Duties Code. There are advantages to be gained from this similarity namely; greater public understanding and acceptance of the GATT; economies of administration and adjudication and; the essentially similar treatment of countervailing and anti-dumping cases.

Recommendations six and seven recognize that there is a further need to ensure that existing countervailing duties procedures are generally symmetrical with those proposed for anti-dumping procedures. In this regard, an important feature of the proposed legislation is the removal of the requirement that the Governor-in-Council decide in each case whether to impose countervailing duties; it is proposed that the decision be taken through a process similar to that in place for anti-dumping cases. In particular, where dumping and subsidization occur simultaneously, the proposal will avoid unnecessary delay in the conduct of an investigation and in the determination of injury.

An earlier review of the existing countervailing duties regulations by the Standing Joint Committee on Regulations and other Statutory Instruments, indicated that the provision in the Customs Tariff may not be adequate and suggested that amendments be sought following the conclusion of the Multilateral Trade Negotiations. The current review of Canada's import policy legislation provides an opportunity to achieve this objective. The already noted close relationship of subsidization and dumping problems, and the existence of well-established and widely known anti-dumping legislation and regulations, argues strongly for following a similar approach in both cases.

The important restructuring of countervailing duties procedures inherent in this proposal will also enable Canada to respond more effectively to the growing use of government subsidies in international trade.

Recommendation 7

We accept that the closely-related issues of countervailing and anti-dumping duties should be dealt with within the framework of one piece of legislation. Nonetheless, there is a need to ensure as much clarity and ease of reference as is practical in the legislation. This can be achieved by placing the provisions for dealing with anti-dumping cases in one section of the legislation and those related to countervailing duties cases in a second. Those parties to an anti-dumping case would not need to refer to those sections of the Act concerned with countervailing duties.

Proposal 4: *The new anti-dumping legislation should provide authority for the establishment, in exceptional circumstances, of a "basic price system".*

Recommendation

8. This proposal should not be implemented

Recommendation 8

The evidence we have heard does not convince us that making provision for the use of basic price systems would enhance Canada's anti-dumping system. Indeed, it is our view that the implementation of such a system could actually harm Canadian economic interests if it led Canada's trading partners to incorporate and use similar special systems in their anti-dumping procedures.

The proposed basic price system differs essentially from the normal system in that the determination of injury would be made by the Governor-in-Council without public hearings. Although this proposed change could result in reduced legal expenses, this is more than offset by the significant degree of discretion permitted to the Governor-in-Council.

In its end result, the system also differs from the standard system in that the amount of duty levied on the dumped goods is the difference between their export price and a low fixed price based on the most efficient supplier's domestic price. The least efficient suppliers would, therefore, be able to dump down to this price without incurring dumping duties and domestic producers would be afforded less protection than they would under the present system. In effect, the application of a basic price system would be less protective than the application of the full system, unless the Governor-in-Council was prepared to accept a weaker standard of material injury as grounds for imposing duties than would the Tribunal.

We are not convinced that a basic price system would be particularly effective in dealing with the exceptional circumstances in which speedy action is needed. In practice, the time which elapses between the initiation of an investigation in a basic price case and the imposition of duties is not likely to be less than the time between the initiation of the investigation and the imposition of provisional duties in a full case. Where rapid action is required, there is provision for the use of safeguard measures, such as surtaxes, in the proposed legislation.

It is the Sub-Committee's understanding that there is considerable doubt among our trading partners about the consistency of the basic price system as proposed in light of our obligations to the GATT. These systems are criticized on the grounds that they constitute a type of non-tariff barrier and an undue harrassment of imports. Canada has been critical of such systems in the past and in our view, it would not be appropriate for Canada to implement such a procedure.

Proposal 5: *The criteria for finding injury and the new definition of "regional industry" contained in the international agreements on Anti-dumping Duties and on Subsidies and Countervailing Duties should be taken into account by the Tribunal.*

Recommendations

9. The injury criteria specified in the GATT Anti-dumping Code be adopted into Canadian legislation as a reference for injury inquiries.

10. The new definition of "Regional Industry" contained in the GATT Anti-Dumping Code should be taken into account by the tribunal.

Recommendation 9

The fundamental concept introduced into our anti-dumping legislation in 1968 and incorporated in the proposed new legislation, is that duties not be imposed unless the dumping practice is causing material injury to domestic producers. It is a testimony to the high quality of our legal system that the procedures put in place in 1968 have been functioning effectively, despite the fact that there is no definition or listing of the criteria for determining material injury in the legislation.

The GATT Anti-Dumping and Subsidies and Countervailing Duties Codes, as well as the legislation of our major trading partners, contain lists of criteria to be considered in determining injury. In the Sub-Committee's view, it would be desirable to include such a list in the new legislation, or in the subsidiary regulations, or the Tribunal's rules of procedure. Such steps provide interested parties with a better appreciation of the functioning of the anti-dumping/countervailing system.

Recommendation 10

The GATT Anti-Dumping and Subsidies and Countervailing Duties Codes incorporate a more comprehensive definition of a regional industry than the previous anti-dumping code, which defined a regional industry, as one separated from all other regions of a country by transport costs. Any industry in which producers sell all or almost all of their products in their own regional market and which is not supplied to any substantial degree by domestic producers in other regions is now considered, by the GATT, a regional industry; eligible for relief from injurious dumping or subsidization which is affecting only the region. The Sub-Committee agrees that the Tribunal should take the new definition into account when carrying out inquiries into injury.

(ii) Safeguard Actions Against Injurious Imports

Proposal 6: *Existing Canadian legislation permitting imposition of import quotas based on an injury finding by the Textile and Clothing Board (TCB) or the Tribunal should be maintained. However, there should also be provision to place products on the import control list for monitoring purposes based on a recommendation of the Tribunal or the TCB.*

Recommendations

11. The sub-committee recommends this proposal be accepted. Permits required for imports subject to monitoring should be freely and quickly available to importers.

12. Where goods are subject to import monitoring, the need for such monitoring should be reviewed periodically, and not less frequently than once every two years.

Recommendation 11

The current legislation relating to import controls, permits the Governor-in-Council to limit quantities of goods entering Canada by placing these goods on the Import Control List, when pursuant to an inquiry or review by the Anti-Dumping Tribunal or Textile and Clothing Board, it has been determined that the goods in question are causing or threatening to cause serious injury to domestic producers. When goods are thus placed on the Import Control List, importers must obtain permits which are issued at the discretion of the Minister of Industry, Trade and Commerce. This makes it possible for the Governor-in-Council to determine when the quantitative limits have been reached. This provision should be retained.

At present, Canada, unlike many of our major trading partners, is unable to produce meaningful and timely statistics on volumes and values of imports by means other than having the goods placed on the Import Control List. There are cases when unlimited importation of goods could result in injury to domestic producers. Proposal 6 would permit goods to be placed on the Import Control List, in these cases, for the purpose of monitoring. In these instances monitoring would require a recommendation by the Tribunal or TCB but would not require the Governor-in-Council to set any quantitative limits on imports. It is our view that where goods are placed on the Import Control List for monitoring purposes only, the importer should have the statutory right to obtain a permit freely and quickly when the proper documentation is provided.

We agree that the Government should have the authority to monitor potentially injurious imports in a timely manner, and we accept that the practical way to do this, at least until faster customs data collection systems are installed by Revenue Canada, is to require importers to obtain import permits before importation.

However, the monitoring system must not itself be used as a method of restricting imports. It must have as its objective the determination of the quantity of goods imported into Canada.

Recommendation 12

The monitoring authority set out in proposal 6 would be used to deal with specific circumstances in which a measure is required for a limited period. In our view, the legislation should require that each need for import monitoring be reviewed regularly to determine whether the circumstances which gave rise to the monitoring still exist. This review should be carried out at least every two years.

Proposal 7: *Section 8 of the Customs Tariff should be amended to permit surtaxes to stay in effect for more than 180 days without parliamentary approval in cases where the Tribunal or, where appropriate, the TCB finds, on a reference by the government, serious injury or threat of serious injury to Canadian producers.*

Recommendations

13. The sub-committee recommends this proposal be accepted.

14. The use of a surtax should be reviewed annually following the date of its imposition.

Recommendation 13

Current legislation allows the Governor-in-Council to impose surtaxes on imports which threaten or cause serious injury to Canadian producers, but which are considered to be injurious for only a short period of time and which, in the opinion of the Government, require immediate action. Because this application of a surtax is meant to deal with problems considered to be of a short term duration and because no reference need have been made to the Tribunal or the TCB, Parliamentary approval is required to extend the duration of the surtax beyond 180 days. This requirement should be retained in the proposed legislation.

However, it is further proposed that, if during this period of 180 days the Government refers the matter to either the Tribunal or the TCB for investigation, that upon the recommendation of the Tribunal or the TCB, surtaxes could be imposed beyond 180 days. This would require amendments to the current legislation.

The Sub-Committee sees merit in imposing surtaxes for a longer period than 180 days and is confident that this use of surtaxes would not be abused, as an independent body would have found evidence of serious injury, or the threat thereof,

before such use could be made. Moreover, any action under this provision would need to be consistent with the GATT Article XIX, which prescribes when emergency action can be taken against injurious imports.

Recommendation 14

As contingent protection systems replace permanent tariff protection, there is greater need to ensure that measures put in place on a temporary basis are not maintained permanently and are systematically reviewed. The introduction of legislative time limits for safeguard measures and provisions requiring periodic review of these measures would be a desirable step.

Accordingly, the proposed legislation should contain a provision requiring annual reviews of surtax actions.

Proposal 8: *The legislative authority for applying surtaxes should also permit the application of surtaxes after certain quantities of a product have been imported.*

Recommendations

15. The sub-committee recommends this proposal be accepted.

16. The proposal should specify a review period.

Recommendation 15

This proposal would enable Canada to regulate injurious imports by using surtaxes in a manner analogous to tariff rate quotas. While it is noted that such a technique would have to be carefully applied, there are circumstances where this measure might be appropriate. It might be decided, for example, that where a given industry was vulnerable to rapid increases in imports, surtaxes would only be imposed after imports had reached a given level in order to ensure a minimum level of competition. As the industry restructured this quota could be raised progressively. Conversely, where Canadian production cannot supply total domestic demand, the proposal would allow for a certain level of imports benefiting consumers while providing appropriate protection to Canadian production.

Recommendation 16

For the reasons outlined in Recommendation 14 the use of a surtax should be reviewed periodically. This is necessary to ensure that it is still needed and to determine if it is providing only that protection for which it was imposed. It should

be noted that the use of surtaxes for safeguard purposes would have to be justified under Article XIX of the GATT and would be subject to the sanctions provided for in that Article.

Proposal 9: *The legislation should provide specific authority for Canada to take safeguard measures for balance of payments purposes*

Recommendation

17. The sub-committee recommends this proposal be accepted.

Recommendation 17

Canada has no specific authority to take safeguard actions relating to the importation of goods in order to assist in the resolution of balance of payments problems even though the GATT does allow such measures to be taken in specifically defined circumstances. When such a problem occurred in the early 1960's very complicated procedures had to be used to deal with it. While it is not forseen that such a problem would arise again in the near future, the proposal would allow the Government to take timely action.

The granting of this authority is unlikely to be abused given the notification and consultation procedures required by the GATT, the close scrutiny of the Contracting Parties, and the necessity of obtaining Parliamentary approval for any extension beyond 180 days.

(iii) Responses to Foreign Government Acts, Policies or Practices

Proposal 10: *The government should have the power to suspend or withdraw rights or privileges granted by Canada to other countries and to impose surtaxes, quotas (or a combination thereof), or to impose countervailing duties, in cases where it is deemed to be appropriate to respond to actions by foreign governments which either affect Canadian trade in goods and services or impair Canada's rights under trade agreements.*

Recommendation

18. The sub-committee recommends this proposal be accepted.

Recommendation 18

The proposal is a practical one. It would enable Canada to respond more appropriately to actions of other countries which affect Canada's trade and economic interests. Essentially, the proposal increases the range of responsive measures which Canada could apply in such cases.

Canada's approach has been to attempt to resolve matters through consultation and negotiation and this is not expected to be altered. Instead, the existence of greater flexibility in responding to other countries' actions should strengthen Canada's negotiating hand, and in that sense, the existence of this provision in Canadian law may be more important than its actual use. Canada would not take retaliatory action without exhausting all possible multilateral and bilateral dispute settlement procedures, thus it is not likely that Canada would require frequent recourse to this proposal. However, the Government must be in a position to respond appropriately and effectively should the need arise. Canada's major trading partner, the United States, already has legislation enabling it to ultimately retaliate against actions of other countries which affect its trade and economic interests. Action under this legislation has to date only been taken once by the United States.

The proposal involves not only trade in goods, but also trade in services, which is a major and growing part of world trade. There are few internationally agreed rules on services trade; however, major trading countries are taking steps to safeguard and promote their interests in this important area. It is sensible for Canada to take similar measures. This proposal would broaden import legislation to deal with the dumping or subsidization of services as well as enable the Government to respond to acts or policies of foreign governments which affect Canada's trade in services.

III Recommendations for Administrative Change

(i) National and Consumer Interest

Recommendation 19

THE TARIFF BOARD SHOULD BE EMPOWERED TO UNDERTAKE A REVIEW OF DECISIONS MADE BY THE ANTI-DUMPING TRIBUNAL, WHEN SO REQUESTED BY CONSUMER ADVOCATES, AND WHEN IN THE OPINION OF THE BOARD IT IS IN THE NATIONAL INTEREST TO DO SO.

The primary purpose of Canada's anti-dumping and countervailing legislation is to protect domestic producers from the injury caused by unfair import practices. In the opinion of some experts, this should be its only purpose. However, some witnesses made strong representations to the Sub-Committee that the concentration on producer interests alone is too narrow a focus and the consumer interest must be considered.

These witnesses stressed that the strict calculation of the dumping margin, resulting in an unduly high import price, eliminates needed competition from a Canadian market dominated by only one or two producers. In this case, a less than full margin of dumping could be levied in order to reflect consumer interest and to promote competition in Canada. However, it must be emphasized that this legislation cannot replace an adequate Competition Bill nor was it intended to.

The proposed legislation contains certain provisions of interest to consumers. First, there is a provision in the proposed legislation for the regional imposition of anti-dumping or countervailing duties. Second, Section 11 of the proposed legislation permits the Governor-in-Council to exempt any goods or classes of goods from the application of the Act. Third, the Governor-in-Council may take action to permit the remission of anti-dumping duties using Section 17 of the Financial Administration Act.

However, by the Discussion Paper's own admission, the first of these provisions will be rarely used. The other two provisions require direct submissions to the Governor-in-Council for a remission of anti-dumping or countervailing duties due to exceptional circumstances and are used sparingly.

In considering additional consumer protection, the Sub-Committee was faced with two alternatives. The first alternative would enable the Anti-Dumping Tribunal to make recommendations to the Governor-in-Council for the remission of duties due

to exceptional circumstances. The other alternative would be to empower the Tariff Board to undertake an investigation of the national or consumer interest when it is requested to do so and considers such an investigation to be in the national interest.

The first alternative, expanding the Tribunal's mandate to include a consumer consideration in its criteria, is appealing but creates several problems. First, it is important that the Tribunal, in deciding whether injury is present, be guided exclusively by the criteria set out in the GATT Codes. If the Tribunal was guided by criteria other than those set out in the GATT, then Canadian industry would not receive the same level of protection against unfair trade practices as comparable industries in other countries. The inquiry into producer injury is too important to introduce any other consideration which may inadvertently interfere with this decision.

As the Tribunal must render its decisions within strict time limits, any additional criteria reflecting consumer interest could lengthen the time required to conduct an inquiry. A lengthening of the time required for an inquiry (or a hastily prepared decision) could deny legitimate protection to an industry suffering injury from dumped imports.

The second alternative, a reference to the Tariff Board, is in the opinion of the Sub-Committee, a better answer to the question of consumer interest as the Tariff Board would deal only with the question of consumer interest. Any Canadian consumer or group of consumers who feel that it is in the national interest could ask the Tariff Board to determine whether or not consumer interests were affected to such an extent that a full inquiry should be held. Then, if the Board is satisfied that there is a prima facie case, which would substantiate the consumer concerns, it would schedule a full inquiry, at which all interested parties would be heard, to determine the extent of the injury, whether the consumer/national interest is thereby affected and to make appropriate recommendations to the Governor-in-Council.

Utilizing the Tariff Board, in those exceptional cases, when it appears imperative to consider the consumer interest, does not create the same problems as a reference to the Tribunal. Such a reference, to the Tariff Board, would be an explicit recognition of the legitimate protection Canadian business is entitled to from unfair competition and, in exceptional circumstances, would allow consumer concerns to be heard.

(ii) Capital Goods Sector

Recommendation 20

THE SUB-COMMITTEE RECOMMENDS FURTHER STUDY OF THE UNIQUE PROBLEMS OF THE CAPITAL GOODS SECTOR.

The Canadian Capital Goods Sector has certain characteristics that distinguish it from other industrial areas. Capital equipment tends to be custom designed, has a high unit cost, is ordered infrequently and a long period of time elapses between ordering and delivery. As a result, there are few manufacturers in Canada specializing in this field. As a trading nation and a signatory to the GATT we welcome off-shore suppliers, awarding contracts to them is acceptable if the contracts are won fairly. However, the negative impact of contracts lost to unfair competition is too great for the Government to remain passive. The injury suffered by domestic producers of these goods can be more severe and longer lasting than for other industrial manufacturers and the negative effects may persist for several years. The Sub-Committee is of the opinion that the proposed legislation is not adequate, by itself, to protect Canada's Capital Goods Sector against unfair competition.

The nature of competition in the market for capital goods distinguishes this sector from most others. Due to the size and scope of capital goods projects, the major purchasers are generally either governments or government agencies (this is particularly true in the heavy electrical equipment sector). Unlike the Canadian market which is open to foreign competition, the Canadian industry finds itself unable to even bid on such projects in certain other industrial countries. Many foreign governments will only entertain bids from domestic producers. This protected home market gives foreign companies a stable base for their operations and enables them to effectively penetrate the Canadian market. In current economic conditions they may be prepared to dump extensively to keep production teams intact and plants operating.

Dumped or subsidized capital equipment imports pose special problems for the Canadian anti-dumping and countervailing system. The characteristics of this sector are such that the normal anti-dumping procedures are ineffective in protecting against injurious dumping. Also, Canada's relatively open market makes it more vulnerable to this dumping than other countries. These are related problems which should not be dealt with in isolation.

The current and proposed legislation does not offer adequate protection against the injury caused by dumped capital goods. At present, normal anti-dumping investigations begin when a good is imported into the country. While adequate for other goods, this procedure, in the opinion of the Sub-Committee, is inadequate for capital goods because of the long period of time which elapses between the ordering of capital goods and their delivery. It is during this period that the injury caused by dumped imports is felt by domestic producers. An anti-dumping investigation begun

at the time of delivery, which results in a finding of both dumping and injury, would be ineffective in correcting the damage to Canadian industry, even though injurious dumping was found.

In order to protect domestic producers of capital goods against injurious dumping, the Sub-Committee is of the opinion that the Government must continue to initiate investigations as soon as possible after concluding that there is cause to believe there is or will be injurious dumping. For this reason the Sub-Committee reluctantly believes that Revenue Canada must continue to interpret the submission of an "irrevocable tender" as an agreement to sell.

However, there are certain problems with this procedure that limit its use. It may be considered as a non-tariff barrier to trade by our trading partners. In order to be fully effective it requires Revenue Canada to determine the extent of dumping and injury between the time of opening the tenders and the awarding of the contract. To accomplish this it is obvious that Revenue Canada would need the full co-operation of all parties to the tendering process, namely Canadian purchaser and offshore producer. Also, the complaint necessary to begin the investigation would have to be filed almost immediately after the tenders were opened in order that Revenue Canada would have enough time to complete its preliminary investigation. Furthermore, if there is no public readout of the tenders, it is extremely difficult for a Canadian producer to file the properly documented complaint necessary for theinitiation of an investigation.

It is not enough to be prepared to begin an investigation at an early stage. To be useful, the investigation must also be comprehensive. The Government should view the dumping of capital goods in a broad perspective and not necessarily limit its investigation to a specific complaint made by a particular company.

The Government should approach the investigation as a more general problem of which this particular complaint is the latest example. The Government should use its initiative in cooperation with the complainant in defining the terms of the investigation. The investigation should include all companies suspected of injurious dumping.

A Code on Government Procurement has been negotiated within the GATT. However, the Code does not cover the particular kinds of goods (e.g. heavy electrical equipment) which Canada is proficient at producing. As the Code will be re-negotiated in 1983, we urge the Government to aggressively promote Canada's interests in this area.

The Sub-Committee recognizes that this vital area of our economy deserves further study and believes that in the abscence of the co-operation of Canadian purchasers, the Government should, perhaps through legislation, seek means to ensure the necessary level of co-operation.

(iii) Institutional Issues

Recommendation 21

THE SUB-COMMITTEE RECOMMENDS THE ROLE OF THE CURRENT IMPORT AGENCIES BE EXAMINED IN RELATION TO ONE ANOTHER.

The introduction of new legislation and amendments to existing legislation provides an opportunity to review the effectiveness and efficiency of the import agencies which will be responsible for its administration. There are four bodies responsible for import matters: the Department of National Revenue (Customs and Excise); the Anti-Dumping Tribunal; the Tariff Board; and the Textile and Clothing Board.

The primary function of Revenue Canada is to investigate the existence of dumping or subsidization, usually in response to a complaint from a domestic producer. If it is satisfied that the goods are being dumped and the margin of dumping is not negligible, the process continues to its next phase.

Several complaints have been raised concerning the methods used by Revenue Canada during its investigations. The complaints related to the length of time the Department requires for its investigation; the lack of disclosure of both the information collected during an investigation and the reasoning underlying its decisions; the shortage of resources and expertise available for investigations; and its inability to monitor imports in a timely manner.

To its credit, Revenue Canada recognizes the validity of these complaints and has tried to correct them. It appreciates the need to be more forthcoming in revealing information to Canadian business and has been more cooperative to those needing help in this area.

The proposed legislation will meet some of the other complaints. In particular, the introduction of new time limits will considerably shorten the length of time required to complete an investigation. Further, the Sub-Committee's recommendations with respect to public disclosure, if implemented, will correct Revenue Canada's deficiencies in this area.

The Sub-Committee recognizes that the proposed legislation will affect Revenue Canada more than any other group, and that it may well take additional resources for it to meet its objectives.

The Anti-Dumping Tribunal's main function is to conduct injury inquiries in cases involving dumped or subsidized imports. As the Tribunal is a court of record, it conducts its injury determinations in a judicial manner. Parties appearing before it feel compelled to hire legal counsel, making the Tribunal's proceedings relatively

expensive. The methods and workings of the Tribunal enable a fuller disclosure of information than Revenue Canada. It is apparent that the Tribunal is fulfilling its major function.

The Tariff Board (TB) has three responsibilities. It acts as an appeal court for matters related to customs valuation and calculation of duties. In this regard, its procedures are legalistic although the retaining of lawyers is not always necessary as the TB strives to be a court of "easy access". Secondly, the TB undertakes references from the Minister of Finance. These are economic inquiries and its findings and recommendations are not binding. Neither of these responsibilities involves injury per se to the domestic producer. However, the TB is responsible for injury inquiries that arise from the General Preferential Tariff (GPT). The GPT findings and recommendations are not binding.

The Tariff Board has managed to remain accessible and informal. Parties do not need to engage counsel and the Board now holds sittings outside of Ottawa to reduce the financial burden on smaller complainants. The Board has also devised ways to release as much information as possible and appears to be capable of absorbing additional work.

The Textile and Clothing Board (TCB) was created by an Act of Parliament in 1971 to rationalize and restructure the textile and clothing industry. As part of the continuing process of rationalization its main function, presently, is to determine injury or threat of injury to Canadian textile and clothing producers.

In the opinion of most witnesses appearing before the Sub-Committee, the Board is carrying out its mandate in a satisfactory manner.

The Sub-Committee is of the opinion that the four agencies function adequately and although there is an element of overlapping, such overlapping has not resulted in any serious problems.

The Sub-Committee recognizes that the workload of these agencies will increase with time. We are particularly concerned that the added responsibilities, resulting from our recommendations and legislative changes, to be assumed by Revenue Canada, can only be carried out with the efficiency which the business community has the right to expect if Revenue Canada receives new resources, both physical and technological. These new responsibilities are: the commitment to greater transparency; speedier processing of cases; greater use of monitoring; and a new approach to the resolution of the particular problems of the Capital Goods Sector.

If the Government feels it advisable however, to review the existing agencies and their inter-relationship, then certain considerations should be borne in mind, if it is decided to reorganize the present system.

The Sub-Committee believes there should be no further growth in the number of agencies that are responsible for only one sector of the economy. Specific industry

agencies have a narrow approach to import problems which is not always desirable. The problems addressed by these specific industry agencies are not necessarily confined to that sector and need to be addressed in a comprehensive fashion. Needless to say, the more specific industry agencies there are, the more difficult it is to implement a comprehensive approach.

The Sub-Committee stresses that our study of the existing agencies was limited both by mandate and time. Accordingly, it may be useful to conduct an in-depth study as to the interrelationship of the present agencies.

(iv) Public Disclosure

Recommendations

THE LEGISLATION SHOULD CONTAIN PROVISIONS;

22. Outlining a greater disclosure of the information collected by Revenue Canada during an investigation and the reasoning underlying its decisions.

23. That all confidential information be accompanied by a non-confidential summary which indicates its general nature.

24. That the Government be given the right to disregard any confidential information not accompanied by non-confidential summaries.

25. That the Government review all information claimed to be confidential in order to verify that it must remain so. If it does not appear to be of a type that must be confidential, steps should be taken to convince the company to re-classify the information.

Recommendation 22

The information utilized in investigations conducted under the Canadian anti-dumping and countervailing duty legislation is generally submitted by foreign and domestic manufacturers and exporters of the product under investigation. The information is mainly obtained in response to questionnaires distributed by Revenue Canada. Depending upon the nature of the investigation, the questionnaires seek information about the volume of sales, sale prices in home or third country markets, costs of production, shipments, as well as other matters.

A complaint common to the anti-dumping process is the lack of public disclosure. There is an inadequate disclosure both of the information collected during an investigation and of the reasoning underlying administrative decisions. Both of these inadequacies can have serious ramifications on the overall effectiveness and administration of the anti-dumping system. In particular, it is apparent that these complaints apply mainly to Revenue Canada. This Department has been mentioned frequently for its unnecessary reluctance to open its investigations to public scrutiny. The openness of the Anti-Dumping Tribunal contrasts sharply with the practices of the Customs and Excise Division of Revenue Canada.

There are several reasons why greater public disclosure is in Canada's own best interests. First, the release of information increases the effectiveness of dumping investigations. The release of the collected information allows interested parties to verify that decisions have been made with complete and reliable information. For this reason, public disclosure serves as a safety check that information provided to the Government, by the various parties, is adequate for reaching a fair conclusion.

Second, the release of information emphasizes the fact that business and Government are not adversaries during an anti-dumping investigation but are cooperating in an effort to determine if unfair import competition is causing injury to domestic producers. If the domestic industry is convinced that its best interests are being looked after by the Government and if the foreign firms are assured that the Government is going to treat the issue objectively, then both are more likely to cooperate in making the process function smoothly.

Third, the participants should be given an indication of the administrative reasoning underlying decisions. It is not enough for the participants to know the nature of the information collected. In order to evaluate the Government's decision, it is important to know how this information has been interpreted. The anti-dumping/countervailing process must also be understandable with respect to its administrative decisions. The more well-informed the participants are, the less likely they are to launch an unnecessary or unfounded appeal of the final decision.

Recommendations 23, 24, and 25

While the idea of a general disclosure of information is undoubtedly of merit, it must be recognized that certain types of information must remain confidential. This includes proprietary or commercial data whose release might compromise the interests of a company should it be revealed to a competitor. Any discussion of public disclosure must reflect that such information must remain the property of the company. In a similar vein, as the purpose of public disclosure is to provide as much information as possible, care must be taken so that its collection is not hindered by a company's reluctance to trust public officials with confidential information. However, the right of business to protect its proprietary information has to be weighed against the purpose of public disclosure - namely, to release as much information as possible. There are two ways to handle confidential information.

In the first place, all confidential information should be accompanied by non-confidential summaries of that information. These summaries would be generally available to any interested party. The authorities should reserve the right to disregard submissions containing confidential information but unaccompanied by non-confidential summaries. This requirement will act as an incentive for businesses to provide these summaries. Similarly, the authorities should review all information classified as confidential to ensure that it is actually confidential in nature. If there is information which it does not consider to be confidential, the Government should encourage the company to release this information. In these ways, the Government can ensure that there is the greatest amount of information available.

It is inevitable that there will always be a certain amount of confidential information which cannot be summarized or released in any form. However, the Government should attempt to provide the parties concerned with the available information and to show the methods they used to reach a decision.

In publishing its preliminary determination, Revenue Canada should release substantially more information than it does at the present. The preliminary determination notice should give a general idea as to the information collected during the investigation and how the Department has interpreted this information. However, it is not practical to publish all of the information generated during an investigation. To overcome this, Revenue Canada should establish an open file for each case that would be available to anyone who wishes to consult it. This open file would contain the non-confidential summaries of the confidential material that has been submitted along with the other information the Department has collected.

Witnesses

The Algoma Steel Corporation, Limited

Anti-Dumping Tribunal

Automotive Parts Association of Canada

British Columbia Government

British Columbia Hydro and Power Authorithy

Brown, Bovery, Howden Inc.

The Honourable Pierre Bussières, Minister of State (Finance)

Canadian Apparel Manufacturers Institute

Canadian Association of International Textile Traders

Canadian Chemical Producers' Association

Canadian General Electric Company Limited

Canadian Importers Association, Inc.

Canadian Manufacturers' Association

Canadian Shipbuilding and Ship Repairing Association

Canadian Textiles Institute

Canadian Wine Institute

Officials from the Department of Consumer and Corporate Affairs (Bureau of Competition Policy)

Dofasco Inc.

Electrical and Electronic Manufacturers Association of Canada

European Economic Community

Officials from the Department of Finance

Officials from the General Agreement on Tariffs and Trade

Mr. Rodney Grey

Home Furnishing Industries Association

Officials from the Department of Industry, Trade and Commerce

Machinery and Equipment Manufacturers' Association of Canada

Officials from the Department of National Revenue

Officials from Revenue Canada, Customs and Excise

SIDBEC-DOSCO

Society of the Button Industry

Professor Klaus Stegemann

Stelco Inc.

Officials from the Government of Switzerland

Tariff Board

Textile and Clothing Board

Government of the United States

Briefs

Algoma Steel, Dofesco, Stelco (Jointly)

Anti-Dumping Tribunal

Brown, Bovery, Howden Inc.

British Columbia Government

British Columbia Hydro and Power Authority

Canadian Apparel Manufacturers Institute

Supported by:

Alberta Apparel Manufacturers Institute

Apparel Manufacturers Association of Ontario

Apparel Manufacturers Institute of Quebec

B. C. Fashion and Needle Traders Association

Canadian Shirt Manufacturers Association

Children's Apparel Manufacturers Association

Manitoba Fashion Institute

Men's Clothing Manufacturers Association of Ontario

Men's Clothing Manufacturers Association of Quebec

Canadian Association of International Textile Traders

Canadian Chemical Producers' Association

Canadian General Electric Company Limited

Canadian German Chamber of Industry and Commerce Inc.

Canadian Importers Association, Inc.

C. I. L. Inc.

Canadian Manufacturers Association

Canadian Manufacturers Association, Canadian Chemical Producers' Association and Canadian Textiles Institute (Jointly)

Canada Sheep Council

Canadian Shipbuilding and Ship Repairing Association

Canadian Textiles Institute

Canadian Wine Institute

Department of Consumer and Corporate Affairs

Electrical and Electronic Manufacturers' Association of Canada

Mr. Rodney Grey

Home Furnishing Industries Association

Ministry of Industry and Tourism (Ontario)

Japan Silk and Synthetics Textile Traders Exporter's Association

Machinery and Equipment Manufacturers' Association of Canada

Department of National Revenue (Revenue Canada, Customs and Excise)

Society of the Button Industry

The Shoe Manufacturers' Association of Canada

Textile and Clothing Board

Professor Klaus Stegemann

A copy of the relevant Minutes of Proceedings and Evidence of the Sub-Committee on Import Policy (*Issues Nos. 1 to 31 inclusive*) and the relevant Minutes of Proceedings and Evidence of the Standing Committee on Finance, Trade and Economic Affairs (*Issues Nos. 27 and 108*) are tabled.

Respectfully submitted,

Bryce Mackasey, P. C., M. P.

STANDING COMMITTEE ON FINANCE, TRADE AND ECONOMIC AFFAIRS

MINUTES OF PROCEEDINGS

WEDNESDAY, JUNE 23, 1982
(146)

EXTRACT

Mr. Deniger moved,—That the Final Report of the Sub-Committee on Import Policy be concurred in.

That the Chairman of the Sub-Committee on Import Policy present the Report as the Committee's Fourteenth Report to the House.

That the Sub-Committee on Import Policy print an additional 4,000 copies of Issue No. 31 of its Minutes of Proceedings and Evidence, with a special cover.

The question being put on the said motion, it was agreed to.

ATTEST:

Le greffier du Comité

J.M. Robert Normand

Clerk of the Committee

COMITÉ PERMANENT DES FINANCES, DU COMMERCE ET DES QUESTIONS ÉCONOMIQUES

PROCÈS-VERBAL

LE MERCREDI 23 JUIN 1982
(146)

EXTRAIT

Mr. Deniger propose,—Que le rapport final du Sous-comité sur la politique d'importation soit approuvé.

Que le président du Sous-comité sur la politique d'importation dépose devant la Chambre ce quatorzième rapport du Comité.

Que le Sous-comité sur la politique d'importation fasse imprimer 4,000 exemplaires supplémentaires avec couverture spéciale du fascicule no 31 de ses procès-verbaux et témoignages.

La motion est mise aux voix et adoptée.

ATTESTÉ:

MINUTES OF PROCEEDINGS

WEDNESDAY, JUNE 9, 1982
(32)

[*Text*]

The Sub-committee on Import Policy of the Standing Committee on Finance, Trade and Economic Affairs met *IN CAMERA* at 3:30 o'clock p.m. this day, the Chairman, Mr. MacKasey, presiding.

Members of the Committee present: Messrs. Mackasey and Thomson.

The Committee resumed consideration of its Order of Reference relating to the discussion paper proposing changes to Canadian import legislation entitled: "Proposals on Import Policy". (*See Minutes of Proceedings and Evidence of the Standing Committee on Finance, Trade and Economic Affairs, Thursday, October 9, 1980, Issue No. 27*).

On motion of Mr. Thomson, it was agreed,—That the Sub-Committee present its Draft Report to the Standing Committee on Finance, Trade and Economic Affairs.

At 3:45 o'clock p.m., the Sub-Committee adjourned to the call of the Chair.

PROCÈS-VERBAL

LE MERCREDI 9 JUIN 1982
(32)

[*Traduction*]

Le Sous-comité sur la politique d'importation du Comité permanent des finances, du commerce et des questions économiques se réunit aujourd'hui à huis clos à 15h30 sous la présidence de M. Mackasey (président).

Membres du Comité présents: MM. Mackasey et Thomson.

Le Comité reprend l'étude de son Ordre de renvoi portant sur le document intitulé: «Propositions relatives à la politique d'importation» proposant des modifications aux lois visant les importations canadiennes. (*Voir procès-verbal du Comité permanent des finances du commerce et des questions économiques du jeudi 9 octobre 1980, fascicule no 27*).

Sur motion de M. Thomson, il est décidé,—Que le Sous-comité soumette son rapport au Comité permanent des finances, du commerce et des questions économiques.

A 15h45, le Sous-comité suspend ses travaux jusqu'à nouvelle convocation de la présidence.

Le greffier du Comité

David Cook

Clerk of the Committee