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EDITORIALS

CLASS OR KIND

The question of "Class or Kind" has been a perennial source of uncertainty and dissatisfaction to the importer. The phrase as it has been interpreted is so wide in its application that it is next to impossible to know definitely in advance, what articles may be so classed.

It has been held by the Tariff Board, in effect that the dominating word in the phrase is "Class" and that if any article is in a similar class even though it may not be the same kind it falls into the category of "Class or Kind."

It has been suggested that the phrase might be altered to class and kind which would narrow the application to those articles which were definitely the same as those made in Canada. As it is now it may be applied to any article or commodity which might be substituted for anything made in Canada. This being so, there is scarcely any limit to its application.

Recent amendments to the Tariff Act were presumed to limit somewhat the application but as a matter of fact they have made little or no difference in the practical working of the Act. For instance subsection 10 was added to section 6 of the Tariff Act and reads,

"For the purposes of this Act articles shall not be deemed to be of a class or kind made or produced in Canada unless so made or produced in substantial quantities; and the Governor-in-Council may by Order-in-Council provide that such quantities, to be substantial, shall be sufficient to supply a certain percentage of the normal Canadian consumption and may in such Order fix such percentage."

This percentage has been fixed by the minister at ten per cent of the total consumption. To the minds of most importers this ten per cent falls far short of being a substantial percentage of the total consumption. It implies that ninety percent of the Canadian consumers must pay a higher price to protect an industry so unimportant from a national viewpoint, that they are only able to supply only ten percent of the demand. Actually it means that one hundred percent of the consuming public have to pay a higher price because you may be sure the protected industry will exact the last cent possible under the shelter of this extra protection.

We would be glad to have our readers comments on this question and will be pleased to publish any such letters, anonymously if so desired.

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