values may be determined for imports, even when they are subject to specific duties or are duty-free.[71]

Antidumping Legislation and Practices

Dumping, or international price discrimination, is the practice of selling abroad at a price lower than that charged domestically (or selling in different export markets at different prices). In the real world of imperfect price competition, many exporters in developed countries, particularly of chemicals, metals, and other standardized products, try to maximize their profits by charging different prices in markets with different demand elasticities. When, as is frequently the case, demand abroad is more price elastic than demand at home, a lower price is charged on foreign sales. On the supply side, once a firm has covered its overhead costs in one market, it can then sell profitably in another market at any price above marginal costs.

Although there is no consensus among economists, the argument has been made that the economic advantages of dumping may outweigh the disadvantages.[72] Consumers of dumped goods benefit by the lower prices paid for imports. Consumers in the exporting country are discriminated against, but the prices they pay may be higher, the same, or lower than if dumping had not occurred.[73] Even if prices are higher, they must be weighed against the increased profits of producers. Only in the rare case of predatory dumping, where the purpose is to drive a competitor out of business, does the economic balance appear to weigh clearly against this practice.

[71] For a comparison of Canadian and U.S. valuation practices and other nontariff barriers, see Masson and English, *Invisible Trade Barriers*. Other useful sources of Canadian and U.S. nontariff barriers published by the Canadian-American Committee are Constant Southworth and W. W. Buchanan, *Changes in Trade Restrictions Between Canada and the United States*, 1960; and Francis Masson and J. B. Whitely, *Barriers to Trade between Canada and the United States*, 1960.

[72] There is no recent comprehensive treatment of dumping. The standard work is Jacob Viner, *Dumping: A Problem in International Trade* (Chicago, Ill.: University of Chicago Press, 1923).

[73] See Gottfried von Haberler, *The Theory of International Trade*, translated by Alfred Stonier and Frederic Benham (London: William Hodge and Co., Ltd., 1936), pp. 302–17.