

Mr. NOWLAN: I think, to some extent, that matter was dealt with in regard to Mr. Winch's question, before you came in.

Mr. WINCH: It was the same company that I had in mind.

Mr. McILRAITH: I heard those questions, but it seems to me we could have a more thorough documentation of the precise orders issued, when they were issued, and the extent to which they were retroactive, if they were retroactive, and so on. Could we have a detailed presentation?

The CHAIRMAN: That will be done.

Mr. HOWE: I am wondering if the regulations in respect of cases of end-of-line or clearance goods are defined in the customs regulations as well?

Mr. NOWLAN: An attempt was made to define those; yes.

Mr. HOWE: How are they assured that they are the end of the line?

Mr. NOWLAN: Just by investigation. All the particular facts of the case are investigated.

Mr. HOWE: What about merchandise for which they do not have a market in the United States?

Mr. NOWLAN: We take valuations and follow the prices at which they have been sold in the United States over a period of a month, and compare them with the other prices. You can see it takes a long while to study these. We take a certain product and follow it through and come up with what appears to be the satisfactory answer.

Mr. PUGH: Following that up, in respect of distress selling and "seconds", does the department determine in each case whether or not it might be first grade goods imported in here as a "second" because of distress sales down there? Are there any cases of that happening?

Mr. NOWLAN: If it is a first grade quality of goods it would not be coming in here as a "second" if selling at a fair market value. Of course, if the price has been dropping steadily over a period in that instance, it is obvious it is a clearance of a line.

Mr. PUGH: There is a case of first grade goods being marked as "seconds".

Mr. NOWLAN: There has been a substantial number of imports of "seconds" and we check into that. The 40 additional staff has only been added in the last few months and it takes a while to have them trained and obtain the information.

Mr. WINCH: Would the minister explain the policy of his department relative to importation of plywood from Japan? It is my understanding that the retail price of mahogany plywood from Japan is less than the cost of production of our own fir plywood. I know in British Columbia it is having a serious impact on the plywood industry. When they can sell mahogany plywood from Japan at less than the cost of production of our own plywood it seems that is of some interest to the minister's department. What is your policy in this respect?

Mr. NOWLAN: The policy there is, as I said earlier, that it is a question of determining the fair market value in the country of origin. If that plywood is being sold in Japan under comparable conditions and on the open market, the mere fact that it is below our cost is not the factor which we have to consider. It is the fair market value assuming it is not a "second" or so on and so forth. I expect the only way to rectify that is to increase tariffs if you are looking for protection of a particular industry. We have to operate on the fair market value in the country of origin.

Mr. McMILLAN: I am wondering about the mechanics of making imports under this regulation. Does the importer know what duty he will have to pay, or is that decided after the goods are brought in?