

Customs Act

value that is reflected in the invoice he will proceed to tell the broker or the importer what his duty is to be. The sales tax is levied on the value of the goods, plus duty.

Now, in the event that he feels the invoice price on that bill of goods is not the value of similar goods sold in the country of origin he will say, "As a result of our investigation we find that these goods were sold in the city of Boston—" or in the New England states, or some other place, at such and such a price. He will say, "That price is the value you have on your invoice, plus X dollars" and on that invoice price plus X dollars the duty is levied and collected and the goods are cleared to the importer.

But there is a second condition. Supposing we do not know the value of the goods. Supposing we have not yet determined the comparable price at which these goods have been offered in the country of origin under comparable conditions. We will say to that importer or his customs broker, who has already made a deposit with us so the crown will not lose money, that we release these goods subject to reappraisal. Then of course he is taking a chance. He is probably going to come to us prior to the importation of goods and attempt to determine the value of a certain line of goods he is going to import into this country.

I submit to you that this subsection, as an addition to the five subsections of section 35, puts the government and the department of customs and excise in a far better position to collect the duties and taxes that are owing than have the previous sections.

Is there any other part of the hon. member's question that I have not answered?

Mr. Macdonnell: The minister has made a very good beginning. Having regard to the fact that this inquiry must cover the time immediately prior, how is the minister going to get the figures to show how the average is weighted. Will that not involve knowing the amounts exported from month to month? How can you work that out?

Mr. McCann: That information will be collected at the point of export by our investigators.

Mr. Macdonnell: These men are going to be pretty busy, are they not? Will the minister explain? Someone says it is being done all the time. I want to know exactly what the practice is. The minister says it will be obtained at the point of entry. How far afield will they have to go? You cannot just determine it by one or two casual inquiries.

Mr. McCann: We deal with the particular exporter. Usually they are co-operative with the officials to the extent that they give us

their costs of manufacture and the selling prices of their goods. We actually make inquiry of the manufacturer or his agents. Throughout the New England states, although many of the textile mills are in the smaller places, these people operate for the most part from a large city like Boston or New York. We make an inquiry through their offices and they have co-operated in giving us information, and they will show us a list of home market sales.

Mr. Macdonnell: The minister means that his officials, at the point of entry, will merely communicate with the various manufacturers in the United States and ask for their selling costs over these months?

Mr. McCann: The hon. member is getting two things mixed up. The communication is not made by the officials at the point of entry; the communication is direct with the manufacturer or his agent and is made at his place of business, personally in a great many instances.

Mr. Macdonnell: This is an important matter. I am sick to death of people whose sole contribution to the debate here is a groan and an expression as a sign of pain when one is at least trying to do what he can to contribute to the debate. If they are in pain let them get out. Will the minister tell me again what is the situation? Will his officials—I will not call them by name; I am not familiar with the details—go in person and inquire from the manufacturers as to the various prices at which they have sold their goods?

Mr. McCann: Yes, that is right.

Mr. Knowles: I listened with considerable interest to the attempt of the minister to describe how this new clause is going to work. There are one or two questions about that procedure that are not clear to me. I should like to know as specifically as we can be told where the operation of this phrase "in the opinion of the minister" comes in. I have read several times the various paragraphs of section 35 as they are already in the act, and I see no discretionary margin in paragraphs 1, 2 and 3 comparable to that which is proposed in clause 6. I realize that so far as the operation of subsections 1, 2 and 3 are concerned, certain information has to be obtained by the officials, but at least it is specific and definite information on the basis of which these values are determined.

When we get to this new clause 6, while there is something of a yardstick spelled out in it, the key to the whole clause is the phrase "in the opinion of the minister". I would judge from the fact that the phrase is in there that whereas any action taken—the