

Mr. NOWLAN: That may be a question of argument; I do not think it is the only source. There are hog bristles produced in other countries, but probably those in China may be the best. In regard to the hog bristles, or the brush case, we took the value of these brushes in the free and open market, as produced in Great Britain. In the British market the British product is highly competitive, very competitive, with our own. But we took that as the nearest approach to a fair market value as a basis of commencing.

Mr. McMILLAN: Mr. Chairman, I would like—

The CHAIRMAN: Is your question in the same area?

Mr. McMILLAN: Yes. I was wondering what percentage of textiles, for instance, do you investigate coming, say, from Japan. Do you send representatives over there to go into the whole clothing area?

Mr. NOWLAN: Yes. As I said, we have there a resident in Tokyo, and others have been going there. They are making a study of particular imports, and also the general productivity of general production in Japan. I have a short statement on Japan which I could read to you.

The department has been making honest efforts to look into all complaints about undervaluation of Japanese goods. An office was opened in Tokyo in 1954. The Japanese authorities some time ago expressed willingness to assist our officer in his investigations and have, in recent further discussions, indicated that they understand our problem and have re-affirmed their undertaking to help in any way possible. Commodities currently under investigation include polyvinyl chloride resin, monosodium glutamate, children's snow suits, corduroy fabric, transistor radios, binoculars, carpeting and rugs, brassiere wires, fishing lures, stainless steel flatware, nylon hosiery in the greige, wire nails, plywood, screen wire cloth, steel bars, ceramic tile, canned tuna, tires and tubes, viscose rayon yarn and umbrellas.

These are some of the products which are presently being studied and for which figures are being compiled in regard to Japan. Our information is that we are receiving now very good cooperation with respect to production in Japan.

The Japanese ambassador called on me the other day and discussed this whole problem. He is very anxious to cooperate and wanted to know what they could do to assist in carrying on these studies. He suggested we send more experts to Japan to assist in this work.

Mr. HOWE: In connection with the importation of textiles, how are "seconds" in merchand defined, and how is the principal value arrived at for duty purposes?

Mr. NOWLAN: I do not know exactly how the "seconds" are defined. It would depend on the cost and kinds of goods. I might say that we carry out very strict inspections in regard to these goods. I presume you are speaking now primarily of the United States. The American manufacturers have a very high standard of inspection and our officers are satisfied that their inspection certificates are reasonably accurate. One system that we follow, and I am not sure it is the main one, is to open up these packaged goods as they are in the warehouses, as they are in the factory, and as they come away from the factory. We study the inspectors' certificates and we accept that. Also, our officers, who are trained, check the product itself against the certificates to determine whether or not there has been any sloppiness or carelessness in classifying the goods. However, generally speaking, I think our officers are satisfied that the American inspection certificate is an accurate one and when we find they are marked "seconds", we govern ourselves accordingly.

Mr. HOWE: How would the value of a second be arrived at for duty purposes?