

Mr. WINCH: How far back retroactively can your department add an additional impost although the goods have already been sold?

Mr. NOWLAN: Speaking off hand and without consultation with the officials, when goods are brought in very often because there is a real doubt as to the value, based on past experience or something of that kind, the offices at the port of entry advise the importer that these goods are being received subject to amendment. I was going to say there is a warning given that they may be revalued. In those cases, when we have obtained the necessary information, which may take some time, we can go back and revalue the goods, where this notice has been given to the importer at the time he brought the goods into the country.

Mr. WINCH: The reason I asked the question more particularly is because I was wondering what form of protection there is for the businesses concerned. I think the minister knows the particular case I have in mind, where some months after the goods had been sold an additional impost was made and it could be a means of almost putting a business into bankruptcy if it involved a large enough import of goods. I think there is a question there of determining the effectiveness of protection to a business concern operating on an honest basis and trying to live up to its obligations.

Mr. NOWLAN: My advice is that we never make a retroactive assessment of these duties unless at the time the goods have been brought into the country the importer has been warned that a reappraisal may be made. He brings them in at his own risk, knowing full well this is not a warning which is lightly given and that there is a real probability there may be a reassessment.

In the case to which Mr. Winch refers there may have been hardship incurred, yet it is a hardship which the importer has deliberately assumed. You have to weigh that, of course, against the damage which may be done to Canadian employment and Canadian labour by allowing the goods to come in and not being able to go back and reassess. These reassessments do take time. It is very difficult to obtain the information at times and, although not usually, sometimes there is a deliberate effort made to avoid giving the information. One has to proceed slowly and carefully in order to make sure of one's ground.

Mr. CARTER: I think everybody can identify the case which Mr. Winch has in mind. That was retroactive for six months, if I remember it correctly. Is it a usual thing to make it retroactive for such a long period?

Mr. NOWLAN: It all depends on how you spell "retroactive". It is not retroactive at all in one sense, because at the time the goods were brought in the warning was given that they were subject to reassessment of duty. In some instances there has been a period of some months—and I think as far back as six months—in which the reassessment is made.

It should be pointed out in that connection that technically and legally there is no limitation against the crown. There is no legal reason, I would suspect, why the department could not go back for an indefinite period perhaps without having given that notice; but as a matter of equity, I am informed we always give the notice, or else there is no retroactive assessment made.

Mr. FORTIN: Is it the intention of the department eventually to establish new customs offices in cities other than those mentioned in your statement? I see four cities there. Are they the most important ones?

Mr. NOWLAN: Those are the ones where we maintain resident appraisers.

Mr. FORTIN: What is the intention in respect of establishing other offices in other cities?

Mr. NOWLAN: It depends on the circumstances. As business develops at certain places other offices may be established.