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JUNE 13, 1960.

Mr. Allan Macnaughton, M.P.,  
Chairman,  
Standing Committee on Public Accounts,  
Parliament Buildings,  
Ottawa, Ontario.

Dear Sir:

My attention has been drawn to questions raised by the evidence given recently before your Committee by Mr. George E. Bernard representing the Canadian Association of Equipment Distributors relative to the dumping on the Canadian market of U.S. Government-owned surplus of construction equipment.

Mr. Bernard mentioned in his evidence that there were instances within his knowledge of machinery reaching the Canadian market through this channel which, whilst old in years, were in first-class operating condition. In other words, it was Mr. Bernard's contention that the year of manufacture should not necessarily be regarded as a guide to condition. As an example I wish to cite the case of a Lima  $1\frac{1}{2}$  cu. yd. Excavator which arrived in the Port of Montreal in July or August 1958. This machine was manufactured about 1951, but showed only about 300 hours of work. The machine was purchased by a contractor in the Eastern Townships who asked us, as the then Lima franchised distributor, to check the machine and instruct his personnel in its operation. Our records show that an experienced Service Engineer was sent to the purchaser's location and a thorough examination indicated that the machine was in perfect shape and required no attention whatsoever. Therefore, the only charge made to the customer was in respect of 7 hours of labour for the inspection, plus a nominal mileage charge for our man's travel.

Since it is my understanding that Mr. Bernard's evidence was questioned as to the possibility of machinery six years or more of age being able to operate without further expenditure on repairs, I am glad to offer the foregoing information in support of Mr. Bernard's testimony relative to the markedly serious effect such dumping activity must have on our market.

Yours very truly,

BLACKWOOD HODGE QUEBEC LTD.  
J. S. Thorp, *Executive Vice President*

JST/mw