

Supply—National Revenue

importing duty free machinery that is not manufactured in Canada. Recently due to keen competition they have brought in equipment for experimental purposes in order to make their production and manufacture more economic and competitive. They have been paying duty on this equipment. The point these people make is that the machinery they are using for experimental purposes is not manufactured in Canada. They ask that these regulations be made more flexible to include this type of equipment and have it enter duty free, too.

Mr. Gundlock: Mr. Chairman, usually when I rise to speak in this chamber I am a bit out of order but I believe I am perfectly in order today in congratulating the minister and his department upon their most efficient execution of their regulations.

There is one question which I should like to ask the minister. Would the minister be kind enough to ask his officials why they differentiate between automatic stock waterers and automatic stock feeders for the purposes of imposing duty on an agricultural implement?

Mr. Pearson: Mr. Chairman, before the vote is carried I wish to say a few words. I apologize to the minister in advance if this matter has already been raised and he may stop me if it has been. I want to ask some questions which I think concern his department arising out of the trade treaty with Russia that will be coming before us for consideration. The minister knows that under that treaty although it is not a matter of the particular responsibility of his department there is a kind of mathematical relationship between the proportion of our imports from Russia and our exports to Russia. The impression is that there will have to be an increase of Russian imports to reach that proportion.

There has been a great deal of talk about how these figures will be increased with particular attention being paid in the discussion to the import of motor cars. Because this does come within his department I should like to ask the minister what are the procedures established? Are they the customary ones or are new procedures being adopted? What are the procedures in effect or to be in effect for the appraisal of values on Russian imports into this country? I am thinking particularly of manufactured imports and even more particularly of motor cars. Have there been any discussions and any negotiations with the Russian government which would lay down a procedure to be followed in regard to Russian imports under this treaty?

[Mr. Southam.]

Mr. Fisher: Mr. Chairman, I should like to know what part the minister played or did not play in the letter sent by the Minister of Justice to the companies involved in the prosecution with respect to fine papers. As I understand it the letter was in effect an invitation to them to state why the tariff protection on their particular products should not be removed. I want to know from the minister something about the consultation that took place.

To my knowledge this penalty has not been invoked before. I want to know what part the minister played in this matter and the general background of it. Like some other hon. members I have received some preliminary protests about the move and I wish to know what part, if any, the minister has played and can play.

Mr. Smith (Lincoln): Mr. Chairman, I should like to join with the hon. member for Welland in bringing to the attention of the minister a problem that could develop in connection with the proposed removal of the tariff on fine papers. The Provincial Paper Mill and others in that area have to bring their raw materials a very long way, in some cases from down on the north shore of the St. Lawrence river. They also have to pay the toll on the Welland ship canal. To impose further penalties on them by removing the tariff would put them in the position of perhaps not being able to compete with papers of that kind coming in from the United States.

Another matter I wish to draw to the attention of the minister concerns imports from the United States. I recently saw an advertisement in a newspaper for a fishing reel. I sent for it and when it arrived I found it was made in Japan. Although it was made in Japan it carried the trade name of a prominent manufacturer in the United States. The warranty was to be taken care of by this company in the United States. What I am concerned about is this. The article was shipped to a wholesale house in Los Angeles. There it was packaged and received a United States trade name and a United States warranty. It is sold in Canada practically as a United States apparatus, yet it was made in Japan. I should like to know whether it comes into the country as a Japanese import or a United States import? (Translation):

Mr. Ratelle: Mr. Chairman, I have no intention of making a long speech; I just want a few bits of information.

Could the Minister of National Revenue (Mr. Nowlan) tell me whether some agreement was reached when he and the Minister of Finance (Mr. Fleming) met with confectioners and chocolate manufacturers who