

Inquiries of the Ministry

Right Hon. C. D. Howe (Minister of Trade and Commerce): There is an import quota on cheese established by the Secretary of Agriculture of the United States within the terms of the Andreson amendment to the Defence Production Act. There is a complete embargo on the importation of skim milk powder under this act. The importation of other types of processed milk is not affected by the Andreson amendment. There is an embargo on the importation of butter and butter oils, and a quota on the importation of casein under this legislation.

At Geneva in October of this year the contracting parties to the general agreement on tariffs and trade recognized that injury was being done to the trade of a number of countries as a result of this legislation and, further, that this legislation was not in accordance with the commitments of the United States under the general agreement on tariffs and trade. I may say that I attended that meeting personally, and I spoke rather vigorously about the action of the United States in this regard.

This subject will again be reviewed at the next session of the countries adhering to GATT, in the expectation that remedial legislation may have become effective before that time. The Maybank bill, which is a bill to amend the Defence Production Act by the cancellation of the restriction on the importation of dairy products, was approved in committee but was not discussed on the floor of the Senate in the closing days of the last session. The government has some reason to believe that the Maybank bill will be passed at the next session, and that the restrictions and quotas will be removed.

GRAIN**INQUIRY AS TO DUTY-FREE ADMISSION OF COMMERCIAL DRIERS**

On the orders of the day:

Hon. J. J. McCann (Minister of National Revenue): Yesterday on the orders of the day the hon. member for Moose Jaw (Mr. Thatcher) asked me if the government had considered permitting commercial grain driers to come into the country duty-free, and to allow purchasers some kind of accelerated depreciation. No actual applications for the free entry of commercial grain driers have been received, although I understand that there have been one or two inquiries in this regard.

In view of the present emergency I would be prepared, as applications are received, to recommend to council that these be admitted temporarily on payment of duty on a *pro*

[Mr. Catherwood.]

rata basis, conditional on exportation within six months from the date of entry and on the understanding that these are being leased or rented and not purchased outright. The *pro rata* arrangement would be on the basis of one-sixtieth of the duty ordinarily payable for each month or portion of a month during which the grain driers remained in Canada, with a minimum of \$25 in each case.

In so far as depreciation is concerned, capital cost allowances on commercial grain driers are as follows:

(1) If a farmer has not elected as provided in section 20, subsection 6, of the Income Tax Act, the rate of 10 per cent is applicable as provided in part 18 of the regulations. That, of course, is known as depreciation on the straight line basis.

(2) If a farmer has elected as provided in section 20, subsection 6, the rate of 20 per cent is applicable as provided in class 8 of schedule B and part 11 of the regulations. This type of depreciation is known as the reducing balance type.

Mr. Ross (Souris): May I ask a supplementary question? The minister referred to the case of an individual farmer, but will this same consideration apply to farmers' co-operatives or seed exporting firms?

Mr. McCann: No, sir; that is a company. If an individual imports one for himself, it is duty-free and there is no sales tax. If an organization, group of farmers or co-operative imports one, the duty is 22½ per cent and it is free of sales tax.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, November 19, consideration of the motion of Mr. Robert Cauchon for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Quelch.

Mr. W. Chester S. McLure (Queens): Mr. Speaker, on Monday night last I began to speak in this debate. I had not anticipated, earlier in the evening, having my remarks interrupted by an adjournment, but when the Minister of Public Works (Mr. Fournier) came on the scene and made a good fiery speech, I then had the opportunity, following him, of speaking for a few minutes and then moving the adjournment of the debate. I was pleased to give up my time because, on many grounds, I have to give way to the Minister of Public Works. Therefore, I now give the