

Mr. DUNNING: That comes out, and the other in the printed resolution goes in.

Mr. BENNETT: Quite so.

Mr. MacNICOL: Would the Minister of National Revenue give me an explanation of what I am now about to say. As I understand it the Toronto Transportation Commission operates a street railway in the city of Toronto. It built the street railway, and has built the roadway.

Mr. ILSLEY: The city builds the roadway.

Mr. MacNICOL: No; the street railway built the roadway under and adjacent to its tracks, but did it for the city. As the transportation commission is a body operating under the control of the city, I would understand that gravel or sand required in their construction work would be exempt under this amendment. If not, why not?

Mr. ILSLEY: They would not be entitled to exemption, because they are purchasing material for the construction of a railway, not a roadway. The works the hon. member has mentioned do not constitute a highway belonging to the municipality. It is a railway, belonging to the commission.

Mr. MacNICOL: The railway is owned by the city, and the lines are on and form part of the highways.

Amendment agreed to.

Item as amended agreed to.

The CHAIRMAN: We now come to the item dealing with:

Printing paper and printing ink for use exclusively in producing quarterly, bi-monthly, monthly and semi-monthly magazines and weekly literary papers unbound.

Mr. NEILL: Reverting to the last item may I ask if the minister has put in the word "municipal"?

Mr. DUNNING: Yes.

Mr. MacNICOL: When I read the item the chairman has just read I think of the saying about locking the barn door after the horse has been stolen. That does not exactly fit this item; perhaps it would be proper to speak about putting the feed into the barn after the horse has died. In the trade agreement between Canada and the United States the government did crucify the printing industry, so far as the printing of United States magazines in this country is concerned. Some twenty-one American magazines that were printed in the city of Toronto are not now printed in Canada. I went to see two plants only recently, one in my own riding and one

just outside it. One plant had been printing twelve American magazines, six of which have already been discontinued and the remaining six are being carried for a period of six months. The other plant which was printing a number of American magazines had a staff of seventy-three, but is now operating on a staff of forty. In the amendment the government seeks to help, but the help comes too late. To a certain extent the industry has already been killed.

Mr. DUNNING: No, no.

Mr. MacNICOL: Well, at least to the extent I have indicated, and I have mentioned only two plants. I know there are plenty of others. Now those plants are to receive concessions on printing paper and printing ink, but nothing under this item on the machinery required to do the printing. The two plants about which I have spoken had already purchased their machinery, while a third plant about which I know had recently purchased machines from New York, but hoping that the duties would be lowered in the budget they issued instructions not to ship the machines until after the budget was brought down. To their surprise, while the tariff did not go down the sales tax went up, and one machine cost them \$160 extra. If the government had taken this action prior to or at the time they entered into an agreement with the United States perhaps the industry would not have been so seriously afflicted. While this may help some new business of the future, it does not help the industries which have already lost the printing of American magazines.

Mr. DEACHMAN: Does the item include farm magazines? It reads:

... producing quarterly, bi-monthly, monthly and semi-monthly magazines and weekly literary papers unbound.

Does that include farm magazines appearing weekly?

Mr. DUNNING: Yes, it does.

Mr. DEACHMAN: Would they come under "weekly literary papers unbound"?

Mr. DUNNING: I do not know whether the hon. member has in mind something beyond that which is in the minds of those of us who have the matter in hand, but certainly the intent of the item is to cover all farm magazines, so far as we know anything about them.

Mr. DEACHMAN: I am satisfied about that. On a strict reading I could not see that the item included the publications I have