

*Customs Tariff*

connection with the conflict between a dominion and a provincial statute, because here we have two dominion provisions. I do not know how you will indicate the one that is to dominate, because they are both dominion.

Mr. DUNNING: I was stating a general principle when I said that the prohibition would rule, but I cannot admit that the prohibition against the importation of second-hand motor cars enters into any part of this item. This item deals with machinery for the manufacture of cars and not at all with the cars themselves or with parts of cars. And it is all of a class or kind not made in Canada.

Mr. NEILL: It is not very clear.

Mr. STIRLING: Is there any relation between this item and 1055, which has been deleted? That is a very large item.

Mr. DUNNING: Item 1055 was the old drawback item on automobile parts and it is taken care of now in the general tariff revision which has taken place consequent upon the tariff board's report. It is unnecessary now and has no relation to this item.

Mr. STEVENS: Has 1055 been deleted in consequence of the report of the tariff board?

Mr. DUNNING: Yes.

Sir GEORGE PERLEY: Under this item as it reads could one not import a used engine, put it into a car in Canada and get the rebate?

Mr. DUNNING: No.

Sir GEORGE PERLEY: It says, "to be used in the production of such automobiles." Would not the term "machinery" be broad enough to cover an engine?

Mr. DUNNING: No; and in any case an engine would be barred because engines are made in Canada.

Mr. NEILL: Would the minister consider using the word "manufacture" instead of the word "production"? I can produce a car by buying a carburetor here and something else there, but I could not manufacture one.

Mr. DUNNING: That is rather splitting hairs, and I am afraid the same difficulty would be present in my hon. friend's mind if we used the word "manufacture." He could also manufacture a car by getting a carburetor here and something else elsewhere. This is exactly the wording the tariff board suggested for the item, which is distinctly

[Mr. Neill.]

a machinery item. And the words, "of a class or kind not made in Canada," would prevent my hon. friend from collecting parts of a car and putting them together.

Item agreed to.

Customs tariff—1060. Paper of all kinds: when used by the publisher or printer in Canada in the production of periodical publications enjoying second-class mailing privileges: drawback, 50 per cent.

Mr. DUNNING: I have an amendment to bring this into conformity with the corresponding tariff item as amended. The amendment is to add the following words:

The pages of which are regularly bound, wire-stitched or otherwise fastened together.

That will make the drawback item apply in conformity with the tariff item.

Sir GEORGE PERLEY: What is the object of this item?

Mr. DUNNING: It is to give the same relief to the publisher of magazines in Canada with respect to Canadian taxation, having regard to the competition to which he is now subject from American publications.

Sir GEORGE PERLEY: I am not going to traverse the ground we went over the other night when my right hon. leader discussed this particular question, but I must put myself on record as not being in favour of doing this if it is going to reduce employment in Canada or take away work which we ought to do here in the manufacturing of our own paper. I realize that perhaps some of this paper cannot be made here, but we have now companies in Canada which manufacture very high grade qualities, and I think those companies should be encouraged. I do not want to do anything to hurt the publication of magazines. I was very sorry indeed that the regulations made by the former government imposing taxes on foreign magazines were removed by the present government. In my opinion we ought to be able to manufacture in this country papers of all kinds, and it is a great pity that steps are not taken to encourage such manufactures by our own people.

Mr. DUNNING: After considering the matter very fully, I believe this degree of drawback represents a fair concession to the publishers without the danger to other Canadian industries which my hon. friend, like myself, would fear if it went too far. There has been a great deal of discussion about it ever since the Canada-United States treaty was made, and needless to say, various interests have various views. Each of them is actuated, of course, by regard for the