

printing on fruit tins, representations had been brought to my attention and to that of many other members by the needle trade in the textile industry with regard to the labels on Japanese goods. They said in the opinion of the needle trade industry in Canada that the labels on Japanese goods being imported were often very unsatisfactory, that they fell off and the printing techniques in general were very unsatisfactory. Could the department make any comments in this regard?

Mr. SIM: I might elaborate on what the minister said the other day, although he made a short statement in this regard. The system followed in Canada with respect to marking is very similar to that in vogue in the United Kingdom; that is to say, specific articles have to be marked following the passage of an order in council. In a general way, the American system is that everything that is capable of being marked should be marked, except what is specifically excluded. What has happened is that in the United Kingdom and the United States they have both arrived at pretty well the same end result, and the same things are being marked. We have not too long a list in Canada. There are orders in council behind each of the items that are required to be marked. There is no general objection to the marking of imported goods. It is the sort of problem which only arises when business starts to taper off and people get worried about competition, particularly if it is coming from countries where wage rates are low.

I understand that the Canadian manufacturers association are about to make representations for the general application of marking. I have received from the garment manufacturing trade a specific request for the application of the marking order to a long list of clothing. One of the things about which I would like to satisfy myself before I make any recommendation to the government would be whether or not our Canadian manufacturers are so marking their goods because, apropos of Japanese competition, I recall some time ago a representative being in my office who had one of these scarves of silk which women wear on their heads, and he wanted the marking order applied. I asked him what kind of marking he would like. He said it was not satisfactory to have it sewn on and that he would like something printed right on the fabric. I said: do you do that; he said: no, it would spoil the design and therefore the sale. That is a thing you have to watch, that you apply the same conditions to domestic as to imported goods. This whole subject is a very active one at the moment and I think more and more consideration is being given to it.

Mr. McDONALD (*Hamilton South*): I would like to ask a question regarding sales tax exemption on sewer pipe and culverts in municipalities. Last year municipalities across Canada were exempt from this sales tax. But in Ontario there are certain subdivision agreements the municipality puts through which force the builders to build their own sewers and culverts, and I think the intention was to reduce the cost of the sewer so the consumer buying his home could get a better deal. I was wondering whether something could be considered to allow these builders the same exemption because they are putting the sewers in for the cities?

Mr. SIM: The wording is restricted to municipalities, and we could not extend it beyond the municipality.

Mr. McDONALD (*Hamilton South*): Could the municipality buy the pipe and sell it to the contractors?

Mr. SIM: No, I think it has to be purchased for their own use.

Mr. HELLYER: Mr. McDonald has raised an interesting point of law. All of that pipe placed in the ground is for the municipality's own use and title passes to the municipality immediately it is put in the ground.