

Customs tariff—407. Silent chain and finished roller chain, of iron or steel, and complete parts thereof, of a class or kind not made in Canada, n.o.p., either chain of the type which operates over gears or sprockets with machine cut teeth: rate of duty, free.

Mr. DUNNING: No change.

Item agreed to.

Customs tariff—407a. Chains, of iron or steel, n.o.p., and complete parts thereof: rate of duty, 15 per cent.

Mr. DUNNING: There is a reduction in rate on this item from 20 per cent to 15 per cent.

Mr. BENNETT: I should just like to point out that in reality when we deal with any of these items where the reduction is to 15 per cent or lower it is not fair to say there has been a reduction of 5 per cent. Twenty per cent less 10 per cent is 18 per cent, and the real reduction is not 5 per cent.

Mr. DUNNING: Effectively, wherever less than 15 per cent enters the picture, that is correct.

Mr. BENNETT: Wherever the rate is lowered to 15 per cent or less, and it was over 15 per cent, the effective reduction is the difference less 10 per cent.

Mr. DUNNING: That is right.

Item agreed to.

Customs tariff—408. Malleable sprocket chain and link belting chain of iron or steel, including roller chain of all kinds for operating on steel sprockets or gears, when imported by manufacturers of agricultural implements for use exclusively in the manufacture of agricultural implements, in their own factories, under regulations prescribed by the minister: rate of duty, free.

Mr. McDONALD (Souris): I notice that a great many parts for machinery are imported free, and I should like to know if the complete machine, the finished article, carries a duty. In that way the manufacturers are protected; they are permitted to get the parts free while there is a duty on the machine. Has the department taken any steps to see that the consumers are protected in that respect?

Mr. DUNNING: In the case of farm implements, which I know my hon. friend has in mind, while the duty against the United States is $7\frac{1}{2}$ per cent generally, agricultural implements are free from Great Britain. This item of malleable sprocket chains and so forth has been free from Great Britain for many years, just as the machine itself is free.

Item agreed to.

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Customs tariff—409. Cream separators and complete parts therefor, including steel bowls: rate of duty, free.

Mr. MacNICOL: Is there any change in this?

Mr. DUNNING: No; it is free entry bound.

Mr. BENNETT: There are considerable importations of cream separators into this country under the intermediate tariff. If one takes the trade returns and divides the number of machines into the valuation given it is apparent that there must be something wrong in the computation of the duty, because the price which is determined by dividing the number of importations from Sweden into the price received is so very low that the duty of 25 per cent added to it means nothing at all. It is difficult to understand but I think that matter properly belongs to the Minister of National Revenue, so I will deal with it at another time.

Mr. DUNNING: Sweden is the principal source, as my right hon. friend knows.

Mr. BENNETT: Quite so, though some come from England.

Item agreed to.

Customs tariff—409m. Internal combustion traction engines; traction attachments designed to become combined with automobiles in Canada for use as traction engines; complete parts of all the foregoing: rate of duty, free.

Mr. DUNNING: I believe the hon. member for Dauphin (Mr. Ward) desired to say something on this item.

Mr. WARD: Item 428e deals with diesel engines—

Mr. DUNNING: If my hon. friend desires to discuss diesel engines in particular he will have the opportunity under item 428e.

Mr. BENNETT: Of course under this item internal combustion engines are free across the board.

Mr. WARD: I am sorry the Minister of National Revenue is not here, because it seems to me the matter to which I am going to refer reflects directly upon his department and the officials in charge of that department. I am not going to go over what I said in this house previously, but I should like to point out that on investigation—and I have this from a reliable source—it can be proved that the firm that applied for the cancellation of the ruling that permitted these engines to enter free of duty have manufactured only one diesel engine in Canada. I