

be erected in Canada for purposes of distribution of certain products, but those products invariably have been made for several years in the United States and will find their way into Canada under this particular item.

Leaving all that aside for the moment, I would give warning to those who are charged with the administration of this agreement. Let me reiterate what I have said on previous occasions, that to my mind this is a case where the excise tax provision, which will form part and parcel of the trade agreement after the ratifying legislation is passed, will bring further loss to the treasury of Canada. I know the minister will reply immediately that rather than there being a loss to the treasury, there will be an advantage to the consumer. However, let us be sensible. This three per cent excise tax is not going to be given entirely to the consumer. For example, if three pairs of socks are being sold for \$1 and the three per cent excise tax is taken off, they will still be sold for \$1. The treasury of Canada will be bereft of \$180,000 under this item and \$12,000,000 under all the items, and we shall still be paying \$1 for three pairs of socks.

Item agreed to.

Customs tariff—ex 711. Oyster shells, not further manufactured than crushed or screened, or both, for use as poultry feeds or in the manufacture of poultry feeds: 10 per cent.

Item agreed to.

Customs tariff—ex 711. Activated clay, when imported for use in the refining of oils: 10 per cent.

Item agreed to.

Customs tariff—ex 711. Coal-tar benzol, when imported by refiners of crude petroleum, for use exclusively in blending with gasoline wholly produced in Canada: 10 per cent.

Item agreed to.

Customs tariff—ex 711. Vermiculite, crude, or not further processed than ground and screened: 10 per cent.

Item agreed to.

Customs tariff—756. Artificial abrasive grains, crushed or ground, when imported for use in Canadian manufactures: free.

Item agreed to.

Customs tariff—792. Cotton pulp imported by manufacturers for use exclusively in their own factories in the manufacture of yarns of artificial silk or similar synthetic fibres produced by chemical processes, under regulations to be prescribed by the Minister of National Revenue: free.

Item agreed to.

Customs tariff—816; 664b. Ethylene glycol, when imported by manufacturers for use [Mr. Harris.]

exclusively in the manufacture of anti-freezing compounds or of explosives, in their own factories: free.

Item agreed to.

Mr. DUNNING: That completes the schedule. If hon. members will turn to the articles in the agreement, we shall deal first with article I.

Mr. STIRLING: After having passed the articles, shall we then proceed to the memorandum and annexes at the end?

Mr. DUNNING: I do not know that the annexes at the end require to be adopted. They will not be in the bill at all, so we shall not require to deal with them. They are for the information of hon. members in considering the bearing of the various features in the treaty. The procedure will be as formerly. We shall go through the articles and then report the whole schedule, being the treaty, out of committee, after which I shall ask for leave to introduce a bill. The bill will go through the usual stages. It will not be read a second time immediately, but it will go through the normal stages of a bill except that when we come to committee of the whole house the chairman will call the schedule, which is the agreement itself, and this, having been carried previously in committee of ways and means, will not require to be gone through again in detail in the committee.

Mr. STIRLING: Would the minister mind turning to page 51 of the trade agreement and telling me under which particular article I could ask for information with regard to the last paragraph?

Mr. DUNNING: There is no article specifically covering that. That is an understanding between the two countries as to the working out of the treaty in the event of certain contingencies.

On article I:

1. Canada and the United States of America will grant each other unconditional and unrestricted most-favoured nation treatment in all matters concerning customs duties and subsidiary charges of every kind and in the method of levying duties, and, further, in all matters concerning the rules, formalities and charges imposed in connection with the clearing of goods through the customs, and with respect to all laws or regulations affecting the sale or use of imported goods within the country.

2. Accordingly, articles the growth, produce or manufacture of either country imported into the other shall in no case be subject, in regard to the matters referred to above, to any duties, taxes or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like articles