

he has always asked me to sit in with him on these meetings, along with the permanent officials of both departments in order to consider the merits of the suggestions made.

MR. BROOME: For instance, under process piping and wiring, if it is classed as light industry, it is free; there is no doubt about it. But if it is classed as heavy industry it is cost of plans, plus 25 per cent. Light industry comprises newsprint plants, welded steel pipe mills, plywood plants, and so on; whereas heavy industrial includes paper mills, steel mills, refineries, chemical and cement plants, and so on. I am saying this is an artificial differentiation between say, a newsprint plant and a refinery or a power plant and the department had to do this because the wording of this tariff item is so general that it cannot be closely interpreted. In reading 180e and 180f, no one can say whether it should be dutiable.

In addition, by means of hemispherical trading corporations, American companies are granted tax exemptions for work done in foreign countries and this gives them an advantage in quoting on Canadian jobs. The result is that more and more engineering is being done in the United States, rather than less and less. I would like to have this matter discussed thoroughly. Mr. Sim knows what I am saying is true.

MR. NOWLAN: That is a matter we can discuss with the proper official when he is giving evidence.

MR. BENIDICKSON: The minister has already made reference to the new decision as to maximum discounts, with respect to seconds, for certain products. I think they were largely in cotton goods. The maximum discounts were for the most part, I think, five per cent, and one at ten per cent.

MR. NOWLAN: Four at five per cent and one at ten per cent.

MR. BENIDICKSON: I think that was done by order in council.

MR. NOWLAN: I am not certain whether it was done by order in council, but it was done at any rate, on my recommendation.

MR. BENIDICKSON: My question is; would the minister have been able to make that recommendation and carry it through quite irrespective of the amendments made last session to the Customs Act?

MR. NOWLAN: It has been done over a long period of time in the past under the existing act. Now whether, as I suggested, there were some questions raised as to the legality of some of the orders which had been passed in former years being consistent with the practice of the department for many years—

MR. CARTER: Following the minister's reply to Mr. Broome a few minutes ago I wonder if the minister could say whether he made any recommendation to the Minister of Finance with respect to fishing lures?

MR. NOWLAN: I drew that to the attention of the Minister of Finance following the discussion in committee last year.

MR. CARTER: As I have to leave in a few minutes I wonder if I could ask a question on bond houses?

THE CHAIRMAN: Are there any further questions on the subject with which we are dealing?

MR. BROOME: Importation, yes.

THE CHAIRMAN: I would like to finish this subject.

MR. HICKS: My question has to do with farm machinery, Mr. Chairman. Some of the farmers who live near the border go across the line and buy, we will say, a tractor. It is my understanding that that tractor will come across the border for farm purposes, free of duty. Then we have an implement