

Mr. MILLIGAN: Yes, but if a distributor buys machinery, one value is placed on it, and if a dealer buys machinery, another value is placed on it, and then even another value is used in respect of a farmer buying the machinery.

Mr. MCGILL: I would suggest that is the only interpretation which should be taken from these words "to a purchaser located at that place—who are at the same or substantially the same trade level as the importer".

Mr. HORNER (*Acadia*): In other words, we are led to believe that a dealer can purchase machinery in the United States and pay less duty than a farmer, because the farmer is further out on the limb of the transaction?

Mr. MCGILL: Allowing for the fact that most farm machinery is free of duty, the dealer in the United States domestic market would pay less for that machinery than the farmer in the United States domestic market.

Mr. FORBES: Does this not boil down to a declaration of the importer as to what the article is to be used for?

Mr. MCGILL: No, not what it is to be used for.

Mr. FORBES: If it is for agricultural, commercial, or domestic use, it would make a difference?

Mr. MCGILL: That is true for certain tariff items.

Mr. HOWE: Further in regard to this same question, how is the difference arrived at between the duty that a farmer will pay and the duty a distributor or a dealer will pay? Who arrives at the position, or who decides the percentage of profit that the dealer is entitled to, and the profit that a distributor is entitled to?

Mr. MCGILL: Pardon me for referring to the United States all the time, but I think most of our agricultural machinery comes from the United States. The United States manufacturer himself decides that, in publishing his price list and discount lists.

The CHAIRMAN: Are there any further questions gentlemen? It is now very close to the time we should adjourn.

Mr. HORNER (*Acadia*): Are you stating that the manufacturer of farm machinery sets the price, as to what that machine will be sold for?

Mr. MCGILL: Do not try to involve me in a discussion in regard to the Robinson-Patman Act, or something of that kind.

Most manufacturers do publish lists of prices. Some publish dealer prices, and they may publish a discount from list price, which would be given to the dealers.

Mr. KORCHINSKI: That is just a suggested price, is it not?

Mr. MCGILL: It is a suggested price, yes.

Mr. HORNER (*Acadia*): Let us assume that a dealer can purchase a machine for 20 per cent less than the farmer can, and this new machine is brought up to the border between the United States and Canada, the same 20 per cent difference still exists between the purchaser, farmer and dealer price.

Mr. MCGILL: Yes. In respect of valuation only, not in respect of duty.

Mr. HORNER (*Acadia*): Yes, in respect of valuation, or any way you want to put it, but that same difference exists?

Mr. MCGILL: Yes.

Mr. HORNER (*Acadia*): What would you do then in the case where a dealer is a farmer, and the farmer is a dealer? What would you do then? Would you let the machine come in as though it were purchased by a dealer?

Mr. MCGILL: We probably would not know.

Mr. HORNER (*Acadia*): That situation does exist quite often.