

I do not object particularly to the tax on sugar, but I suggest to the minister that in view of the fact that this tax will result in a greater use of molasses he should include molasses in schedule III, where it has been in previous years. This is the first time in a number of years that molasses has been subject to this tax, and I strongly urge upon the minister that after having imposed a tax of 2 cents on sugar he should not also tax the molasses which many people will be compelled to use in future.

Mr. RHODES: I have every sympathy with the viewpoint held by my hon. friend from Antigonish-Guysborough, but speaking solely from the point of view of revenue I may say that he weakens rather than strengthens his argument when he intimates that if there were no tax placed upon molasses the consumption would be increased, with the consumption of sugar becoming less. My hon. friend will recall that the object of the tax was to raise revenue, and it was felt that since sugar was taxed molasses should properly bear at least a small tax, not comparable in any degree with the tax applied to sugar. The sales tax, as applied to molasses, based as it is upon the wholesale price, would mean an additional cost of only 2½ cents per gallon, and I fancy that a gallon of molasses would last that young lad whom my hon. friend saw on the street with a slice of bread spread with molasses, for at least a year. Even at that, however, if it were possible to devise a regulation which would permit the use of molasses by the poorer families without payment of a tax, small though the tax might be, I should be entirely agreeable to that being done. Unfortunately, however, molasses is capable of being used and is used in manufacturing processes and in many ways other than for household table use, and there is no method of division by which we could make the tax apply in the one case and not in the other. I may tell my hon. friend that I have recognized for some time that the tax would be open to the objections voiced by the hon. gentleman, but having regard to the circumstances I have briefly outlined I do not see how it is possible, in justice to those who have to pay such a heavy tax on sugar, to afford an exemption in the case of molasses.

Mr. DUFF: I quite see the point raised by the minister, and if he were exempting from the operation of the sales tax every article of common consumption used in the country that argument would be good. It seems to me, however, that when he exempts

a great many other articles, some of which do not seem so important as molasses, his argument is not so strong. Not satisfied with putting a tax on sugar, which is one sweet, he is also putting a tax on molasses. I suggest to the minister that if he must raise revenue by putting a 6 per cent sales tax on molasses surely that tax should apply also to phonograph records, prayer books, hymn books and a number of other articles included in the schedule. Surely molasses is much more important to the people of this country than even hymn books or prayer books. We can go to church and listen to someone else pray and sing. I have sat behind people in church who did not know one note from another; it would have been a great deal better if they had not opened their mouths, and the same thing applies sometimes in this chamber. So I think the minister's argument would be sound if the 6 per cent sales tax applied generally, but it does not. If the minister puts a sales tax on molasses while he leaves phonograph records, prayer books and other items free of that tax his argument does not hold water. I think he should give some consideration to my plea. I am not speaking simply to take up time; I know from my own experience that hundreds of thousands of gallons of molasses are used every year by the poorer people in this country, and I think the minister would be doing God's service if he added molasses to the list of exemptions.

Mr. RHODES: If molasses were used only for household consumption I would not hesitate a moment, but I would point out to my hon. friend that the bulk of the molasses used is not consumed in that manner. It is used very largely in manufacturing processes, and a common illustration is the manufacture of denatured alcohol for use in the radiators of automobiles as anti-freeze. If we could devise some method by means of which the tax might be imposed in the one case and not imposed in the other I should be very happy, but I believe that is not possible from an administrative point of view. Of course, it can be used in the manufacture of certain forms of confection like sweets and that sort of thing, and it would so greatly increase the disproportion in cost as between molasses and sugar as to defeat the purpose of the sugar tax. I will take into further consideration the representations made by my hon. friend, although, as I have already said, we did give the matter the most careful study in the first instance. However, if it is possible to reconsider it before the committee rises this will be