

of the statutes of 1932-33, be amended by adding thereto the following words:

"Articles manufactured or produced by the labour of the deaf and dumb in institutions in Canada established for their care, or under the control or direction of such institutions."

Mr. RALSTON: I want to ask the minister if he has given serious thought to putting these articles in the schedule which provides complete exemption. I think the minister is to be congratulated on granting at least the fifty per cent exemption, but I wonder if he has considered going the whole way. I believe the committee would be prepared to do so if the minister approved.

Mr. RHODES: I may say to my hon. friend that I gave this matter a very great deal of thought. Naturally one's compassions are moved in considering the question of the blind, the deaf and the dumb, but in the case of the blind I found that even the half remission works a hardship in the case of some industries which themselves are employers of blind people. Take the case of a blind man who manufactures a broom. The mere fact that he is blind and that he goes about trying to sell the broom gives him an advantage in approaching the householder, whose sympathies are at once moved by the circumstance that the man is blind. Even the half remission in some cases has worked hardship to industries which have been established in this country for many years. If we went the whole way I believe it would work an irreparable hardship. What I have said with respect to the blind is true with respect to the deaf, who by this amendment we are placing for the first time on precisely the same footing as the blind. I have discussed this question with those who are blind and others who are associated with the work of the blind, and I think I can say that all fair minded men of that class to whom I have spoken have agreed that in going the half way, we have gone as far as we reasonably can in justice to all our citizens.

Mr. ELLIOTT: Could the minister give us an idea of the percentage of the total production of the country to which this would apply?

Mr. RHODES: No, because there are no such separate statistics kept for sales tax purposes.

Mr. ELLIOTT: Following the suggestion of my hon. friend from Shelburne-Yarmouth (Mr. Ralston) it occurred to me that only a very small percentage of the production would be represented by competition of this kind.

Mr. RHODES: That would be quite true so far as income is concerned. Our hesitancy to remit the whole of the sales tax is not due to any consideration of revenue; it is due to the considerations which I have endeavoured to place before the committee, of weighing the scales fairly as between those established industries and the institutions for the blind which in many cases are in receipt of public funds and charitable subscriptions, in order to place them on something like an equality and not work an undue hardship upon industries which have no such assistance.

Resolution agreed to.

4. That schedule V to the said act, as enacted by section nineteen of chapter forty-two of the statutes of 1934, be amended by adding thereto the words "goods enumerated in customs tariff item 692."

Resolution agreed to.

5. That the said act be further amended by repealing subsection two of section eighty-seven thereof, as enacted by section twelve of chapter fifty-four of the statutes of 1931.

Mr. RALSTON: I have forgotten what section is being struck out.

Mr. RHODES: This has to do with the sales tax on samples. It removes the sales tax in the case of samples which are distributed gratuitously by manufacturers in Canada.

Resolution agreed to.

6. That the said act be further amended by repealing subsection two of section eighty-eight thereof, as enacted by section twelve of chapter fifty-four of the statutes of 1932, and subsection three of the said section eighty-eight, as enacted by section ten of chapter forty-two of the statutes of 1934 and substituting for the two said subsections the following subsection:

"2. The tax imposed by this section shall not apply to the articles enumerated in schedule V to this act nor to any goods imported into Canada which are entitled to entry under the British preferential tariff or under trade agreements between Canada and other British countries."

Resolution agreed to.

7. That any enactment founded on paragraphs one to six of this resolution shall come into force on the twenty-third day of March, one thousand nine hundred and thirty-five.

Resolution agreed to.

EXCISE ACT AMENDMENT

Resolved, that it is expedient to amend the Excise Act 1934, and to provide:

That section one of the schedule to the said act be amended by striking out the words "seven dollars" in the second line thereof and substituting therefor the words "four dollars," and to provide, further, that in the event of