

Special War Revenue Act

ted. Perhaps the dealer might make an affidavit that these cars have been actually sold, and that as a result of the new tax he has sustained a loss, and he could be given a rebate. May I say that in all my experience, I have never known a dealer to collect an extra amount after the order had been signed.

Mr. MacLENNAN: I know cases in Sydney, Nova Scotia, where the dealer sent in an order to the manufacturers for a certain number of cars, and at that time the sales tax was six per cent. After he signed the order he went out on the highways and byways of Nova Scotia to sell those cars, by description, of course, naming a certain price. He sold them, but before they actually arrived in Sydney there was an increase in the sales tax. It is an easy matter for a dealer who has not sold a car to add the two per cent tax, but many cars have been sold at a fixed price and delivered after the sales tax was increased, and as it is now if the dealer does not pay that extra two per cent he cannot make a sale. I think some arrangement should be made for compensating the dealer. I know the difficulties of the minister, but at the same time it is very hard on some of the dealers in Sydney. They have taken orders for cars and made their bargains in the spring. I was told that one dealer in Sydney would go to the wall in consequence. Possibly that is an exaggeration, but at all events it does work a hardship, and I hope the minister will see his way clear to making some arrangement to avoid it.

Mr. DONNELLY: Nine out of ten sales of automobiles are just an exchange with an additional \$100, \$200 or \$300 paid over. Does the department collect the sales tax on the old automobile?

Mr. DUNNING: No.

Mr. DONNELLY: Then the old automobile is increased in value by the amount of the sales tax. The man who sells his old automobile gets an increased price for it.

Amendment agreed to.

Paragraph as amended agreed to.

Mr. BENNETT: Will the minister between now and the time the bill comes up in committee look into this matter? Everything that has been said by other members of the committee I should like also to have said in connection with the difficulties that are going to arise for the dealer. There must be a bill founded on this resolution, and between now and the committee stage of that bill the min-

[Mr. Duffus.]

ister will have an opportunity to look into it and see whether it is desirable, by any appropriate words, to provide against a situation which undoubtedly will work a very great hardship on a large number of people.

Mr. ILSLEY: Yes, I will agree to look into it.

Mr. BENNETT: That is all one can ask at the moment.

4. That schedule I to the said act, as amended by section twenty-six of chapter fifty of the statutes of 1932-33, and by section six of chapter thirty-three of the statutes of 1935, be further amended by repealing section one thereof and substituting the following:—

1. Automobiles adapted or adaptable for passenger use:—

(a) valued at not more than six hundred and fifty dollars, free.

(b) valued at more than six hundred and fifty dollars, on the amount in excess of six hundred and fifty dollars, 5 per cent.

Provided that the tax collected under paragraph (b) above shall in no case exceed two hundred and fifty dollars per automobile.

Provided further that the tax shall not apply to automobiles imported:—

(a) under customs tariff items 702, 706, 707 and 708;

(b) by a bona fide settler on a first arrival;

(c) by a beneficiary resident in Canada, under the terms of a will of a person dying in a foreign country.

Mr. DONNELLY: As regards the phrase "valued at not more than six hundred and fifty dollars," is that the wholesale value at the factory or the wholesale value out in the country plus the freight?

Mr. DUNNING: The manufacturer's value.

Mr. DONNELLY: The manufacturer's value where?

Mr. DUNNING: At the factory.

Mr. DONNELLY: That is the wholesale price?

Mr. DUNNING: Yes.

Mr. NEILL: Should not subsection (c) read, "under the terms of a will or intestacy of a person dying in a foreign country"? If a man succeeds to an automobile by intestacy he is entitled to it the same as though he succeeded to it under a will, is he not?

Mr. DUNNING: If there is any necessity of providing for that, we will check it up before the bill is introduced.

Mr. YOUNG: If a car is shipped in knocked-down condition to Winnipeg, or even to Vancouver, and completed there, is the tax computed inclusive of freight to the point at which it is finally completed?