

Special War Revenue Act

Mr. RHODES: Yes.

Mr. NEILL: Does that include tins for salmon?

Mr. RHODES: Yes.

Mr. CAYLEY: Will the minister tell the committee if it is intended to change the tax on ice cream in any way?

Mr. RHODES: No, there is no intention of changing the tax on ice cream.

Mr. BROWN: Will the minister leave ice cream subject to the tax?

Mr. RHODES: Yes, ice cream will be subject to the tax.

Mr. BROWN: That is another burden laid upon the farmer.

Mr. RHODES: I do not subscribe to that point of view at all. This tax is levied upon a processed food, and it should be borne either by the manufacturer or by the consumer or both. There is no reason why the farmer should have to pay it at all.

Mr. CAYLEY: Would the minister explain how he intends to collect this ice cream tax?

Mr. RHODES: From the manufacturer.

Mr. CAYLEY: I understand there may be some difficulty in collecting it because the invoice price will differ in various cases.

Mr. RHODES: I am advised by officials of the Department of National Revenue that there will be no more difficulty in administering the collection of this tax than there has been in the case of other sales taxes.

Mr. CAYLEY: But I was thinking of a case where ice cream might be bought from one manufacturer for perhaps 90 cents a gallon; other ice cream, with other services, might sell at \$1 or \$1.25, while if the ice cream is put in one of these frigidaires, together with certain other services, it might cost still more. The invoice price would not be a constant quantity; it would be variable.

Mr. RHODES: The tax would be imposed upon the selling price of the manufacturer, and not upon the price referred to by my hon. friend.

Mr. MacLEAN (Prince): I believe very strong protests have been coming in, have they not?

[Mr. Veniot.]

Mr. RHODES: I have some amendments to move. I move that paragraph 6 of the resolution be amended by adding thereto the following subsection:

That the following words be inserted in the said schedule III: "baker's cake and pies when produced by any one manufacturer or producer to the value of not more than \$5,000 in any one calendar year."

The object is to exempt these to the extent of \$5,000 in the case of all manufacturers who produce in quantities less than the sum mentioned. They pay no tax, but those who produce in quantities greater pay a tax.

Mr. MacLEAN: Does that include biscuits?

Mr. RHODES: No.

Amendment agreed to.

Mr. RHODES: I have an amendment with respect to articles manufactured by the blind.

We put these in the fully exempted list, but we find that this would work unfairly. In the manufacture of many commodities, I know that certain manufacturers are themselves employers of blind people, people who would otherwise be thrown out of work if the competition became very keen, as would likely happen should the full exemption of six per cent obtain. It is proposed that instead of giving them the full exemption of six per cent we put them in the half list. That would give them a preference over goods manufactured in the ordinary way, but at the same time it would not make the competition so unfair as to preclude a reasonable opportunity for manufacturers to conduct their business in the ordinary course. The amendment is that the following words be inserted in schedule IV:

All articles manufactured or produced by the labour of the blind in institutions in Canada established for their care or under the control or direction of such institutions.

Notice having been given in the budget resolutions of the intention to exempt totally from the sales tax articles manufactured by the blind, provision will be inserted in the bill whereby such articles will be exempted from April 7 up to and including May 23, after which date, in accordance with the amending resolutions, these goods will bear the half rate of three per cent. I will ask my colleague to move the amendment.

Mr. RYCKMAN moved:

That subsection (iii) of paragraph 6 of the resolution of April 6, 1932, to amend the Special War Revenue Act, be struck out and the following substituted therefor: