

Mr. RYCKMAN: I am unwilling that the hon. member for Mackenzie (Mr. Campbell) should worry about that \$100 on his \$2,000 car if I can relieve his doubts. I think that \$100 just represents the five per cent sales tax imposed by this government. The United States government is very careful to impose the sales tax in considering the value for entry into that country, and I think it is quite proper that this country should also do so. With regard to the \$100 second-hand car there is a market in second-hand cars, a very substantial one, in this Dominion, and if a member of parliament can go over to the United States and buy a hundred-dollar car—I do not know really what it would be like, I would imagine it had been stolen—and then come back and tell his friends what a great bargain he had got, I do not see why, considering the regulations in force in this country and the home market there is in second-hand cars, he should not be willing to pay the duty which Canada imposes on the right value of that car. I should like to say a word to the minister in commendation of this dumping legislation, and I wish that it could be made more effective. There is a very recent case where an order to the value of about \$30,000 was wanted in Canada. The United States manufacturers were altogether unwilling to break their price lists in the United States or to quote a lower price than they were asking in their home market. But being very anxious to avail themselves of a chance to make a deal of this kind they quoted the Ontario buyer a very much lower figure. The matter was taken up with the Customs department. It only required a little investigation—and I wish to compliment the minister upon the working of the department in this case at least—to disclose the facts of the case. It was very soon ascertained that all these people wanted to do was to get rid of their surplus; that while they were unwilling to break their prices in the United States they were eager to make quotations upon and offer the same goods for sale in Canada. Between \$5,000 and \$6,000 would have had to be paid in additional duty if the goods were imported into Canada. When that fact was discovered the goods were not imported. The result is that workmen in Canada are engaged at this very minute in manufacturing the articles which the United States manufacturer tried to sell by quoting in Canada a price he would not quote in the United States.

Mr. CAMPBELL: I do not think the hon. member intended to mislead the House, but he has a wrong impression entirely of the case I quoted. With regard to the auto-

mobiles, the five per cent is not the sales tax. There is a five per cent arbitrary assessment over and above the value of the car. Take the case of the car valued at \$2,000. The department adds \$100, which is five per cent, and makes the price \$2,100. Thirty-five per cent duty is assessed on that, which makes \$735, bringing the price to \$2,835. The sales tax is assessed on \$2,835.

Mr. ROBB: Perhaps my hon. friend is not aware that there is an excise luxury tax in the United States, and that accounts for the \$100.

Mr. CAMPBELL: That is the difference in the value of the car. The person buying the car does not have to pay that. There is an export tax which is not paid by the purchaser of the car at all.

Mr. ROBB: That establishes the home consumption price when he adds the \$100 excess tax.

Mr. CAMPBELL: That is the purchase price; the department here adds \$100 or five per cent.

Mr. ROBB: But if he were a United States citizen he would have to pay the \$100 excise tax and that establishes the fair market value for home consumption in the United States.

Mr. HOEY: The luxury tax applies only to cars in the United States selling over \$1,200—

Mr. ROBB: He (Mr. Campbell) is quoting a \$2,000 car.

Mr. HOEY: —and our duty is imposed on the price of it, plus the luxury tax which the purchaser in the United States has to pay.

Mr. CAMPBELL: I am not satisfied with the minister's explanation. The \$2,000 in this case includes all the cost in the United States, but there is an export tax in the United States which I understand the individual importer buying the car does not have to pay. The department takes hold of that and raises it a little above the thirty-seven per cent.

Mr. COOTE: I think the way the duty is collected on automobiles at the present time is wrong. It may be in accordance with the letter of the law, but it is hard to believe that such is the case. Take the case of a car costing \$1,000 in the United States. The purchaser of that car in the United States would have to pay the five per cent tax that would make the price \$1,050; and that is the value taken by the department here when a car is imported; so that an individual purchasing a car in the United States and bringing it in-