

once more, having regard to the economic conditions that obtain in this country, the difficulties that men are having in making any money at all, and the loss of purchasing power by reason of crop conditions in western Canada, the government concluded after mature and careful consideration that the best way this year, without committing itself to any action on future occasions, would be merely to rest content with increasing the rate from one to four per cent and making two or three slight adjustments that occasion had indicated should be made. So, with the committee's consent, we will revert to the form that existed prior to the first of June.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: I am pleased to hear that hon. gentlemen opposite agree that this will work some measure of improvement in the conditions affecting those who are called upon to pay the tax. I do not offer any apology for the change that has been made with respect to this matter. I stated in the house on the first of June that two principles governed administration in making this impost upon the people. One was to make it as light as possible having regard to the necessities of the country, and the other that there should be as little dislocation of business as possible. Those two conditions have been observed, and there has been no change in the impost. It is only that the list of exemptions has been left as it was except for one or two trifling exceptions which arose out of the adjustments which experience had shown would be sound.

The resolution, therefore, would leave the excise tax of one per cent upon the value of all goods imported into Canada payable by the importer or transferee who takes the goods out of bond for consumption, at the time when the goods are imported or taken out of warehouse for consumption. It would make that tax continue as it came into force on the second day of June, and applied to goods as is usual in such cases except as I have stated. There has been no change from that.

With respect to goods the duty paid value of which does not exceed \$25, that are imported by mail or express, unless more than one entry is made by one importer at one time from one source of the value of \$25, then the tax will not apply. That is the maximum sum which it is felt should be exempted, applying to goods that come through the post office or by express in the form of presents at Christmas time and small matters of that kind, so as to occasion as

little inconvenience as possible. It is felt that on the whole an average of \$25 is a fair figure.

With respect to the next matter, I think it was abundantly clear that it was not intended that a tax should be collected on raw leaf tobacco when imported by licensed tobacco or cigar manufacturers; material for the manufacture of binder twine for export, when imported by the manufacturers thereof; British and Canadian coin and foreign gold coin; fish and other products of the fisheries of Newfoundland; fish caught by fishermen in vessels registered in Canada or owned by any person domiciled in Canada, and the products thereof carried from the fisheries in such vessels; donations of clothing for charitable purposes nor to goods enumerated in customs tariff items 700, 702, 703, 704, 705, 705a, 706, 707, 708 and 709. Generally those items cover animals for circuses and menageries. The resolutions continue:

Provided that when raw furs imported into Canada are exported therefrom a drawback of the tax paid may be granted under regulations to be made by the minister.

Resolved, further, that section 61 of the said act as enacted by chapter 43 of the statutes of 1930 be amended to declare assignments of the right to receive shares prior to their issue not taxable under section 58 of the said act, and that sales of bearer bonds to persons residents without Canada are exempt from the said tax.

That section 86 of the said act be amended to provide that the rate of consumption or sales tax be increased to four per cent.

That the said tax be payable upon the sale price of all goods manufactured or produced in Canada at the time of delivery to the purchaser, but in the case of any contract requiring the payment of the purchase price by instalments shall be payable as each of such instalments falls due and that in bona fide contracts made before the 2nd day of March, 1931, which bind the vendor to deliver at a fixed price, the increased rate shall be payable by the purchaser to the vendor.

Mr. POWER: Is this a new tax?

Mr. BENNETT: This is the tax. As I say, the resolution embodies the law as it now stands, not the one presented on the first day of June. It is a reproduction of the statute as it now stands.

Mr. RALSTON: I am looking at the resolution which my right hon. friend first presented. The tax on both yachts and motor boats; is that on or off?

Mr. BENNETT: Off. I have had these resolutions printed so that they may be available for distribution to-morrow.

Mr. POWER: Are these resolutions in the form of amendments to the original resolutions or are they entirely new resolutions?