

Special War Revenue Act

Mr. RHODES: Parts of farm tools, such as reaping hooks, rakes, et cetera, were subject to the sales tax at that time while they are not to-day. Split fence posts are also in the same category. The hon. member for Comox-Alberni will be surprised to know that sinkers and floats, including trawlkegs for use in the fisheries were subject to sales tax at that time; they are not to-day. Phonograph records for educational purposes and fox feed were also subject to the sales tax at that time; they are not to-day.

Mr. RALSTON: Gopher poison.

Mr. RHODES: Yes, the ingredients for use exclusively in the manufacture of gopher poison. Apples, dried, desiccated and evaporated; hospital supplies and materials; these were all subject to the sales tax during that period while they are exempted to-day. Despite all the necessities of the case, these articles remain exempted in the list which is now submitted. I mention this only to impress upon hon. friends the necessity of considering this matter from all angles and to ask them to bear in mind the list of articles to which I have just referred. The hon. member for Charlevoix-Saguenay has just returned to the chamber and I am reminded of a question he asked and which I inadvertently failed to answer. I know his absence was necessary because he happens to be the chief whip of the opposition. The articles which we have included in the list to be subject to the sales tax and which have been exempt since 1926 will, according to the best estimate which can be made by the officials of the Department of National Revenue, yield \$13,000,000 per year in revenue even under existing conditions.

Paragraph agreed to on division.

11. That schedule IV to the said act, as enacted by chapter fifty-four of the statutes of 1932 enumerating articles exempt for fifty per cent of the sales tax, be repealed and the following substituted as schedule IV:—

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.

Paragraph agreed to.

12. That schedule V to the said act, as enacted by section sixteen and referred to in section twelve of chapter fifty-four of the statutes of 1932, be repealed and the following substituted as schedule V:—

Schedule V

Articles on which other excise taxes are imposed on importation by part XI of this act; raw leaf tobacco when imported by licensed tobacco or cigar manufacturers;

[Mr. Ralston.]

material for the manufacture of binder twine for export, when imported by the manufacturers thereof; British and Canadian coin and foreign gold coin, bullion and unmanufactured gold; 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; bibles; fertilizers; animals for the improvement of stock; boards, planks and deals of fir, spruce, pine, hemlock or larch, in the rough or not further manufactured than planed or dressed on one side, when imported from a country which admits free of duty similar lumber imported from Canada; goods enumerated in customs tariff items 173, 364, 460, 700, 702, 703, 704, 705, 705a, 706, 707, 708 and 709.

Paragraph agreed to.

13. That any enactment founded on paragraphs five, six, seven, eight, nine, ten, eleven and twelve of this resolution shall be deemed to have come into force on the twenty-second day of March, one thousand nine hundred and thirty-three, and to have applied to all goods imported or taken out of warehouse for consumption on and after that date, and to have applied to goods previously imported for which no entry for consumption was made before that date.

Paragraph agreed to.

14. That any enactment founded on paragraphs two, three and four of this resolution shall be deemed to have come into force on the first day of May, one thousand nine hundred and thirty-three.

Paragraph agreed to.

Resolution reported.

INCOME WAR TAX ACT AMENDMENT

Resolved,—That it is expedient to amend the Income War Tax Act and to provide:—

1. That the exemption granted to a married person or a widow or widower with a dependent child be reduced to \$2,000 and the exemption for all other persons be reduced to \$1,000;
2. That the exemption heretofore afforded to householders as defined shall be abolished;
3. That the exemption for a dependent child or grandchild be \$400;
4. That the exemption for a dependent parent, grandparent, brother or sister be the actual amount expended by a taxpayer up to a maximum exemption of \$400 for each such dependent person;
5. That the exemption of \$2,000 heretofore afforded to corporations and joint stock companies be abolished;
6. That the graduated rates of tax applicable to persons other than corporations and joint stock companies shall be the rates set forth in the following schedule;
7. That the rate of tax applicable to corporations shall be twelve and one-half per centum;
8. That where a corporation elects to file a consolidated return, the corporate rate of tax shall be thirteen and one-half per centum;
9. That the additional rate of tax heretofore provided in respect of incomes in excess of \$5,000 shall not apply to corporations;