

shown, that is from the factory on, is the factor of freight. There is no difference in the application of sales tax no matter where the Ford car is delivered, and inasmuch as it was in connection with the Ford car that the question arose—because it is the only car that is assembled, or whatever is done, at Winnipeg—it is quite apparent that whatever may or may not be the case with respect to freight rates, at least it does not enter into the matter we are now discussing because the sales tax applies on the factory price which is identical no matter where the tax is levied. I have the same information with respect to every automobile. I have gone through it, and I have found that while, of course, the amount of the sales tax varies in relation to the factory price of the car, in every case it is uniform right across the board throughout Canada, and the item which creates the difference is freight on the car, not sales tax on the freight.

Mr. NEILL: If the minister will add one remark to his statement he will satisfy me at any rate. He said that the sales tax was the same no matter where the car was sold; will he add "or no matter where it is assembled?" He told us early in the debate that the tax was levied upon the price at which the manufactured article is first sold. If it suits Ford to assemble at Winnipeg then the price he sells at there is different from the price he quotes delivered in Windsor plus freight. It might be held, and I think the minister indicated, that that is the price on which he assesses the eight per cent. In Winnipeg it would be higher on a car out of an assembling plant.

Mr. DUNNING: This is a comparison of selling prices in 1935 of a Ford de luxe Tudor at various cities in Canada and the United States—

Mr. NEILL: No matter where sold or assembled?

Mr. DUNNING: Each city is named separately, with the various items making up the price.

Mr. NEILL: Is it not all based upon the factory in Windsor?

Mr. DUNNING: No; it is the actual selling price.

Mr. NEILL: I am speaking of the case where the car is assembled at Winnipeg; it must take a bigger price.

Mr. DUNNING: My hon. friend forgets that I gave the various items, which showed

that the freight is the variable item, with some slight variation for the licence. Perhaps someone can tell me what a Ford Tudor car costs in Regina?

Mr. ROSS (Moose Jaw): It costs \$900 and something.

Mr. DUNNING: As I have indicated, \$950. What is it in Vancouver—\$996.70?

Mr. REID: No; it is over \$1,000. I am quoting January prices.

Mr. DUNNING: This is \$3.30 below \$1,000. At any rate these are public documents; they were tabled in the house; it is easy by perusing them to find where the differences arise. I am not criticizing or commending the freight differentials, but I tell the committee that there is where the difference comes in, not in the sales tax.

Mr. STEVENS: That is not the point we have been debating at all.

Mr. DONNELLY: Is that the price on which the sales tax is collected? That is the retail price the minister is speaking of, not the price at which the company sells to the dealer.

Mr. DUNNING: The first item I read was \$793 at the factory; the second was \$34.70, both of them being identical across the board. The second item appearing in each case has a definite percentage relationship to the first, being the amount of sales tax actually payable with respect to that car in the whole of Canada.

Mr. DONNELLY: In each case that is the retail price to the consumer.

Mr. DUNNING: My hon. friend has not yet grasped the point. I will try again. The first item is the full delivered price not including freight, taxes or licence, \$793 wherever you take the car. The sales tax is \$34.70 wherever you take it. The freight varies all the way from \$21 to Toronto and Hamilton, \$47 to Halifax, \$27 to Montreal, \$103 to Winnipeg and so on.

Mr. CAHAN: That means the sales tax is never computed on the freight?

Mr. DUNNING: No; the sales tax is computed on the one item, the \$793.

Mr. DONNELLY: You collect on the retail price, not the wholesale?

Mr. DUNNING: I am sorry my hon. friend does not yet grasp the point. It is the full delivered price not including taxes, freight or licence, \$793 wherever you take the car, and the sales tax is \$34.70 wherever you take it.