

the same time. My colleague informs me that the excise bill was introduced yesterday.

SPECIAL WAR REVENUE ACT

Hon. CHARLES A. DUNNING (Minister of Finance) moved for leave to introduce Bill No. 120, to amend the Special War Revenue Act.

Motion agreed to and bill read the first time.

Mr. DUNNING moved the second reading of the bill.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Sanderson in the chair.

On section 1—Definitions.

Mr. CAHAN: If this bill is printed it has not been distributed.

Mr. DUNNING: My hon. friend will recollect that in connection with ways and means it has not been usual to delay the passage of bills based upon ways and means resolutions when adopted. If there are any additions to the amendments apart from those contained in the resolution which passed the committee and the house the Minister of National Revenue must, of course, give full information with regard to them.

Mr. CAHAN: I do not wish to delay the house but I suggest that we are entitled to have printed copies of the bill if they can possibly be supplied.

Mr. DUNNING: The bills were not introduced until to-day.

Mr. CAHAN: If the Minister of Finance postponed the introduction of his bills until to-day, he should have seen to the printing of them beforehand.

Mr. DUNNING: I have followed the immemorial practice.

Mr. CAHAN: Perhaps the minister will explain the purpose of the bill.

Mr. ILSLEY: It was thought that the words "used in" as they appear in the old section were open to a wider meaning than was intended; it might be said that the machinery in a plant was used in the manufacture of a product. While the present change does not alter the administration of the act it is thought that in the interests of clarity the change should be made.

Section agreed to.

Sections 2 to 4 inclusive agreed to.

On section 5—Schedule III amended.

Mr. CAHAN: There is no explanation of this section. How can we inform ourselves of what is implied in the striking out of these words unless we have some explanation? The bill is not properly printed, because on the other side there is no information with regard to the purport of these amendments.

Mr. ILSLEY: I can explain that. The first exemption, in subsection (a), is to include the parts for grain and seed cleaning machines, which parts have hitherto been taxable. At the present time grain and seed cleaning machines are exempt. Hereafter, grain and seed cleaning machines, and complete parts therefor, will be exempt.

Mr. CAHAN: What about paragraph (b)?

Mr. ILSLEY: The exemption for fire brick is to include certain plastic refractories, high temperature cement, fire clay, etc., when for use as stated, these not having previously enjoyed the exemption. It was felt unfair that the brick alone should enjoy exemption for certain purposes which was denied to other materials used for the same purposes.

The next change is in reference to consumable materials. The change in the wording is for clarity. It is thought that the proposed wording more adequately expresses the intention. The application of the exemption is not changed.

Mr. CAHAN: What about the rest?

Mr. DUNNING: It is all in the resolution; it was all dealt with in committee of ways and means.

Mr. CAHAN: That may be, but I want the explanation.

Mr. ILSLEY: The provision for raw and salted hides is to overcome an administrative difficulty. The hides are of no use in their raw state and must be further manufactured, and by placing the exemption here a considerable number of licences need not be issued; also audit work will be curtailed where no tax is involved in any case.

The provision for the exemption of photographs, paintings, drawings, etc., for magazines is designed to allow the Canadian publisher to compete with American publications, as the latter pay no sales tax on importation, whereas the Canadian publisher must pay on the art work and printing plates he uses.

The provision for the exemption of materials used as ingredients in canned fish is to exempt mustard, olive oil, tomato purée, etc., when used for this purpose. Competitive canned fish can be imported free from