

14. The Cabinet agreed that appropriate steps be taken to incorporate an additional amendment in the bill to amend the Farm Improvement Loans Act, 1944, now before the House of Commons; such amendment to provide an increase from \$3,000 to \$4,000 in the maximum amount which may be lent to any one borrower at any one time.

Excise Tax Act; removal of sales tax on municipal equipment

15. The Minister of Finance reported that increasing pressure was being exerted with a view to obtaining the removal of sales taxes on equipment purchased by municipalities for municipal purposes.

16. In the course of discussion it was pointed out:

(a) that any general exemption from sales taxes on municipal equipment would result in a substantial loss of revenue to the treasury;

(b) that, as there were approximately 4,000 municipalities in Canada, no such general exemption could be granted without giving rise to serious abuses of the exemption; and,

(c) that it might nonetheless be possible to grant exemptions in the case only of fire-fighting equipment.

17. The Cabinet, noted the report of the Minister of Finance and agreed that no steps be taken at this time to remove the sales tax payable on equipment purchased by municipalities for municipal purposes.

Legislation; Northern Pacific Halibut Fishery (Convention) Act; ratification of Convention; enabling legislation

18. The Minister of Fisheries explained that, before the new Halibut Fishery Convention, which was signed on March 2nd by Canadian and U.S. representatives, could be ratified, it would be necessary to introduce certain amendments to the Northern Pacific Halibut Fishery (Convention) Act, 1937.

An explanatory note had been circulated.

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