

Mr. COOTE: There is a little difficulty in hearing some of the conversation carried on between the minister and the hon. member for North Waterloo, and perhaps for the benefit of hon. members who may have just come in, the minister might explain why rolls, buns and similar goods are not exempted from the sales tax. In the last line or two of schedule III, it reads:

Bakers' cake and pies when produced by any one manufacturer or producer to the value of not more than \$3,000 in any one calendar year.

These are exempt. Do I understand from that that rolls, buns or similar goods if made by a producer where the value of such production does not exceed \$3,000 in a year, would be subject to a tax, but pies and cake would not be?

Mr. RHODES: No; if produced by a baker whose annual production is under \$3,000 a year, none of those commodities would be subject to tax.

Mr. COOTE: Not even the rolls or buns?

Mr. RHODES: No, because they are classed as cakes or pies.

Mr. STEWART (Edmonton): I should like to inquire of the minister the reason for amending the section and enumerating the exempted list, while leaving out of consideration altogether, except that he has been good enough to furnish us with a list, the goods removed from the exempted list and now taxable. That is one question. The other is this: Are there any additions to the exempted list that prevailed last year? I apparently cannot get that information.

Mr. RHODES: Will my hon. friend look at the bottom of page 4 of the typewritten copy which I gave to the hon. member for Shelburne-Yarmouth? Perhaps he has it before him.

Mr. STEWART (Edmonton): I have it in my hand.

Mr. RHODES: He will see there:

Complete parts for goods enumerated in tariff item 409i.

That is scythes, sickles or reaping hooks, hay or straw knives, edging knives, hoes, pronged forks, rakes, n.o.p. These are added to the exempted list; they are not taxable.

460. Materials to be used in Canada for the construction of bridges and tunnels crossing the boundary between the United States and Canada, when similar materials are admitted free under similar circumstances into the United States, under regulations prescribed by the minister.

That provision is included by reason of international arrangement. Those are the only two which are added to the list.

Mr. STEWART (Edmonton): There is a considerable reduction in the exempted list. By the courtesy of the minister we have been furnished with the list of goods now taxable. The complaint I wish to register is one similar to that which has been so prevalent against the sugar tax. I have not said a word against it, but I wish to register my complaint about taking from the exempted list so many articles of food. I shall not raise so much complaint about the steel, piping and all the rest of it, although I notice shovels and forks now come under the taxable list. My objection is chiefly in regard to food used by every household in the country. I suppose the minister's answer will be that he must have revenue. I am not going to take time this afternoon to point out where he may obtain that, because that question has been dealt with by other hon. members on this side in connection with the discussion on the sugar tax. I wish merely to supplement, if I may, the suggestion made by the hon. member for North Waterloo that the minister might very well forego the bonusing of some thirteen articles which, if I remember correctly, the minister stated might involve a charge on the revenue of from \$6,000,000 to \$10,000,000. As one of those who do not believe in protection but who thoroughly believe in a tariff for revenue, I also am not in favour of bonusing. I know of no reason for granting that bonus other than for the purpose of furnishing some relief to those who are perhaps taxed so heavily, by way of tariffs, on their purchases. That, however, is by the way. What I am protesting against is this: In the list furnished by the minister, we find flour, oatmeal, rolled oats, corn meal and practically all breakfast foods if the packages are five pounds or over. As the question of molasses has been discussed, I shall not say anything about that. Then I find "fuel in liquid form." I presume that means fuel oil?

Mr. RHODES: Yes.

Mr. STEWART (Edmonton): That already bears a tax recently imposed in Ontario and this will be an additional tax.

Mr. RHODES: There is no tax in Ontario.

Mr. STEWART (Edmonton): There must be something wrong, because I have been buying fuel oil and I have had to pay the tax. It was added to my last two bills for fuel oil in Ottawa.

Mr. RHODES: That was this tax.

Mr. STEWART (Edmonton): No, it is a tax by Ontario, supplemental, I imagine, to the tax on gasoline. However, I am not going to complain about that, because if we