

Special War Revenue Act

Mr. DUNNING: No—if my hon. friend will permit me—to strike out the present language which confines the tax exemption to the home produced article and to include just the words of the commodities themselves, which will have the effect of making the articles free of tax whether they are imported or produced at home.

Amendment agreed to.

Paragraph as amended agreed to.

7. That schedule V to the said act, as enacted by section nineteen of chapter forty-two of the statutes of 1934 and amended by section nine of chapter thirty-three of the statutes of 1935, be further amended as follows:—

i. By inserting therein after the words “not to include” in the second line thereof the words “automobiles adapted or adaptable to passenger use.”

Mr. BENNETT: After this amendment is made, how would it read?

Mr. DUNNING: It would then read:

Articles on which other excise taxes are imposed on importation by part XI of this act, not to include automobiles adapted or adaptable to passenger use, tires of rubber, including inner tubes—

And so forth. The reason for this change is that, as the Special War Revenue Act now stands, automobiles pay this three per cent special excise tax. No change in effect is being made on account of this wording; it merely continues to tax those items which would otherwise have been technically exempt on account of changes in the act incidental to the revision of the excise tax on automobiles.

Mr. BENNETT: That means that the three per cent tax will still be payable?

Mr. DUNNING: Yes.

Mr. BENNETT: The hon. gentleman read, after the words “automobiles adapted or adaptable to passenger use,” the word “tires.”

Mr. DUNNING: That is in the present act.

Mr. BENNETT: Will not some further action be necessary?

Mr. DONNELLY: That will mean that the duty on automobiles will be practically 20½ per cent?

Mr. DUNNING: Just a minute; wait till I get through. There will be no change at all in the treatment of “tires of rubber, including inner tubes . . . trailers and other wheeled attachments.” They still remain.

Mr. DONNELLY: I say that the duty of 17½ per cent and this special excise tax of three per cent will make the duty on automobiles 20½ per cent?

[Mr. Cahan.]

Mr. DUNNING: Yes.

Mr. BENNETT: Plus sales tax of eight per cent on the duty paid price.

Mr. DUNNING: Yes.

Item agreed to.

ii. By adding thereto the following:—
Goods enumerated in customs tariff items 695a, 695b, and 696a.

Mr. DUNNING: These are the same items I mentioned before in connection with the other amendment, but with one addition, and that is under paintings in oil or water colours. The inclusion of this item from the exemption list is designed to remove difficulties in bringing into Canada collections of paintings for exhibition purposes. While some of these paintings may incidentally be sold, most of them are reexported, and require orders in council in order to secure refunds of the tax paid upon reexports. The revenue aspect of granting this exemption is unimportant, but administratively it is important.

Mr. McNIVEN (Regina): May I ask the minister a question with regard to moving pictures and sound films? A large dealer in Saskatchewan, who has worked up a considerable business in the northern states, informs me that he has imported films from the United States into Canada, paid duty, then sent them back to the United States, where they were shown in schools and in community centres, and then, on bringing them back into Canada, has had again to pay duty on them. Or, on the other hand, he has had Canadian pictures and sound films made in this country and taken over to the United States, and when he was bringing them back into Canada, had to pay duty on them. Will this particular provision eliminate that difficulty?

Mr. BENNETT: He can get a refund by putting up a bond.

Mr. McNIVEN (Regina): These are films that are educational and are sent to schools and community centres.

Mr. ILSLEY: The proposed amendment has nothing to do with the matter that the hon. member for Regina (Mr. McNiven) has placed before the committee. The matters to which he has referred are matters of customs administration, and if he will give me the particulars I will look into them. At the moment I cannot say what general rules apply, but I am under the impression that the narrative of fact as related to the house is a trifle improbable.

Mr. BENNETT: I think not. If the films go out and come back again the dealer is, I think, allowed to put up a bond. In a case