

*Special War Revenue Act*

National Revenue. I tell the Minister of National Revenue that he will find it impossible to collect the tax. The small firms and individuals who cut their own material in the winter and manufacture these articles during the summer and autumn will be in a constant state of turmoil and unrest. I cannot protest too strongly against this measure. The containers and the salt should be exempt from the sales tax, and that salt in particular should be exempt from the excise tax as well.

Mr. RHODES: While my hon. friend from Queens-Lunenburg agrees with my hon. friend from Antigonish-Guysborough, I submit that both hon. gentlemen are in error to a very substantial degree. In the first place, my hon. friend raised strong objection to the amendment with respect to the exemption provisions under the sales tax. As far as we are concerned this was not done this year; it was done last year, and I do not know why my hon. friend did not object then.

Mr. DUFF: I was in Nova Scotia looking after the fish business when the budget resolutions were discussed.

Mr. RHODES: Let me point out to my hon. friend that this provision simply means that if Canadian salt is used no sales tax is paid.

Mr. ERNST: You cannot do it.

Mr. RHODES: Just one at a time, please. If you use Canadian salt you pay no sales tax and no excise tax. My hon. friend from Queens-Lunenburg says you cannot do it. He may be right, but I submit that this is not the entire story. We are capable of producing in Canada salt equal in quality to that produced in any other country in the world. My hon. friend, of course, is free to talk for the fishermen, and let me say that I do not yield to him or to anyone else in my desire to do everything possible to help the fishermen. But we have other people in this country who are just as worthy as the fishermen; we have many men who could be engaged, and some who are engaged, in the salt industry. My hon. friend says Canadian salt cannot be used. In that I do not agree with him, and I do not need technical knowledge to hold that opinion, though I am prepared to substitute for my own judgment the opinion of those who are experienced in chemistry. But let me say to my hon. friend that if imported salt is used and the bulk of the product is exported, they can get a drawback of almost the full amount of the sales tax paid on the salt.

Mr. DUFF: No.

[Mr. Ernst.]

Mr. RHODES: They can get a drawback of ninety-nine per cent.

Mr. DUFF: How?

Mr. RHODES: Surely my hon. friend is aware of the section of the act containing that provision.

Mr. VENIOT: Yes, the section is there, but how are you to operate it?

Mr. DUFF: I have asked already, and had my friends in the county of Lunenburg ask, for a refund or rebate on salt which was used last year. The customs collector refused to allow that drawback, because, as my hon. friend from Queens-Lunenburg said, this salt was bought by individual fishermen from the very people who buy the fish when it is cured and who export that product. They sell the salt to one hundred or one thousand fishermen, and the collector of customs says that the exporter of the fish, the man who sold the salt to the fishermen, cannot make the necessary affidavit for a refund.

Mr. RHODES: That may be quite true in the case to which my hon. friend refers, but I could mention a case to which that argument would not apply, and I think my hon. friend from Gloucester could do so as well.

Mr. DUFF: Can my hon. friend give me one case in which it can be done?

Mr. RHODES: Yes; in any curing process in this country using imported salt. My hon. friend is referring to imported salt which is distributed among perhaps one hundred people.

Mr. DUFF: How many people import salt and use it themselves? Certainly I should know what I am talking about in this case.

Mr. RHODES: I am prepared to admit at once that my hon. friend has forgotten more about the fishing business than I know, and I bow to his superior judgment in that connection. But when it comes to a question of the application of a law I refuse to accept his judgment, and I think I have every right to take that attitude.

Mr. DUFF: I just stated that the collector would not allow the drawback.

Mr. RHODES: The Department of Finance does not administer the sales tax, and in that respect I have to get a good deal of my information left hand. I can give my hon. friend only such information as comes to me from the experts in the Department of National Revenue.

Mr. DUFF: I have my information right hand.