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WEEK'S EVENTS IN REVIEW

SPECIAL EXCISE TAXES REMOVED: The Hon. Douglas Abbott announced July 31 that the special excise taxes in effect since November last as part of the exchange conservation program will cease to apply after midnight, Saturday, July 31st. This means that electric refrigerators, vacuum cleaners, electrical appliances, outboard motors, motorcycles, firearms and certain toilet articles, principally brushes, combs and mirrors, will be entirely free from the 25% tax. The excise tax on automobiles, radios, phonographs, cameras, projectors and photographic films and supplies will be reduced from present rates to the former 10% level.

"These taxes, like other parts of the exchange conservation program, were an emergency measure and I have made it clear on a number of occasions that the Government intended to remove them as soon as possible," said Mr. Abbott. "They were imposed originally, not for revenue purposes, but as part of the program to curtail the use of United States dollars. The continuing improvement in our exchange position, the unceasing effectiveness of direct measures of control over imports and the positive efforts to increase exports, seem sufficiently encouraging to justify the re-

moval of these taxes now."

Mr. Abbott explained that special authority was obtained from Parliament during the recent session to remove these taxes by proclamation when circumstances permitted. He explained also that their repeal automatically reinstates the previous 10% revenue tax on certain items such as automobiles, radios, phonographs, cameras and projectors, and photographic films and supplies. In effect, the proclamation reestablishes the tax situation as it existed just prior to November 18th, 1947, with the exception of 16mm. projectors which were exempt from tax by the last budget.

There is always a difficult problem with regard to stocks on hand when taxes are repealed, Mr. Abbott stated, and went on to say that he had already received requests that when these taxes were removed there should be refunds of taxes already paid by dealers on goods held for sale. In this regard Mr. Abbott stated - "The difficulties in the way of making refunds to the trade are very great, and I have concluded, after giving the matter fullest consideration, that the Government should not depart from the long standing rule that no refunds of tax are made in such circumstances."