

Mr. ILSLEY: There is one very serious objection to granting the hon. gentleman's request; that is that the ingredients of this gopher poison are articles which are used for a great many other purposes, and administratively it would be very difficult to follow them. It would hardly be practicable to exempt them from the sales tax when used for this particular purpose, and I assume that all my hon. friend is requesting is that these ingredients be exempted from the sales tax when used in the manufacture of gopher poison. The fact that they can be used for so many other purposes would make a provision of that kind almost impossible to administer.

Item agreed to.

Goods enumerated in customs tariff items 695b and 696a.

Mr. MacNICOL: What about item 695b?

Mr. DUNNING: Item 695b covers hand-made drawings, or sketches or designs, but not including patterns, viz: drawings, sketches or designs of wearing apparel, including boots and shoes, wall or floor coverings and table fabrics, wall or floor coverings and textile fabrics when imported in single copies of such drawing, sketch or design for use in the manufacture of wearing apparel, boots or shoes, table fabrics, wall or floor coverings or of patterns. The inclusion of this item in the list of exemptions is designed to simplify administration. The revenue is unimportant and is not worth the trouble. Item 696a covers educational moving picture films. Provision is currently being made in the customs tariff, and in the schedule of exemptions from the three per cent special tax, to have this film admitted to Canada free, incidental to an international convention in which it is expected that Canada will participate. While the convention does not specifically call for exemption from sales tax, the item is being included as appropriate in view of the fact that educational supplies such as textbooks and certain phonograph records at present enjoy exemption from sales tax.

Mr. BENNETT: When the bill is before the committee I should like the minister to give me an indication of the amount that is involved in this paragraph 6.

Mr. DUNNING: I think I can give that approximately now.

Mr. BENNETT: I do not ask for it now. It would be satisfactory when the bill is before us.

Mr. DUNNING: I see I have only some of the information available. I will give it when the bill is in committee.

Item agreed to.

Mr. DUNNING: I have a rather important amendment, Mr. Chairman; it will read:

Resolved, that it is expedient to amend paragraph 6 of the resolution, proposing amendments to the Special War Revenue Act, to provide that schedule III of the said act shall be amended by striking out the items reading as follows: lard, when produced in Canada; salt, when manufactured or produced in Canada; hops, when produced in Canada; and substituting therefor the following: lard, salt, hops.

At the present time, in connection with these three items, a discrimination exists in the levying of sales tax on imported salt when none is levied upon salt produced in Canada. The same is true with regard to lard and hops. The sales tax in these three cases becomes in fact really tariff protection, because it is levied upon the imported article and not upon the home produced article. It is thought desirable to eliminate a condition of that kind.

Mr. BENNETT: The minister has not overlooked what he has done in the tariff with respect to hops.

Mr. DUNNING: No, I have not overlooked that at all. It does not make any difference.

Mr. BENNETT: Does this mean an eight per cent tax on hops, or is it four?

Mr. DUNNING: With regard to the hops' item I might point out that the same practical result does not follow as follows in the two previous cases, because hops come in under licence, and in consequence do not pay a tax.

Mr. BENNETT: Does this take the tax entirely off them?

Mr. DUNNING: Yes.

Mr. STIRLING: It takes the sales tax off them.

Mr. DUNNING: At present there is no tax on the home produced article. By reason of the amendment there will now be no tax on the imported article.

Mr. BARBER: Does it mean that the tax still remains on the home produced article?

Mr. DUNNING: No.

Mr. CAHAN: As I understand it, the items in schedule III of the Special War Revenue Act are exempt from the sales tax, and the resolution now before the committee is to strike these several commodities out of schedule III?