

*Special War Revenue Act*

and dried, the face of the article shows a dark colour. I think the people who produce the salt to which my hon. friend refers know as well as I do that my statements are correct. I have discussed the matter with Mr. Chambers, who is connected with the production of that commodity; my hon. friend is acquainted with him. I have made certain tests in the hope of using the Malagash salt, but have always found that this earthy scum would appear on the fish, and that consequently it was not possible to produce a white article. In the markets to which we ship, the fish must be white and clean, and therefore our salt must be purchased in Turks island, the West Indies, Torrevieja on the Mediterranean, or Cadiz, one of the Spanish ports.

Mr. SMITH (Cumberland): I understand that due to processing this salt is now free from the objection mentioned by my hon. friend.

Mr. DUFF: Only a year ago a scientist named Doctor Barry of Halifax, Mr. Chambers, who is president of the Malagash Salt Products Limited, and myself made a number of tests. Doctor Barry, with whom I was associated, thought he could do something to take the strata out of the salt. Mr. Chambers brought some samples down to my own town, and a number of tests were made. We found, however, that it was impossible to get this foreign substance out of the salt. Although a good deal of the Malagash product is used, we find that it does not leave a white surface, and consequently is not satisfactory for our purposes. But even if the salt were as good as the salt which we import from other countries, I would still contend that this clause should not have been put in, because salt is one of the basic articles which the fisherman must use in his industry. Our fishermen should not be compelled to pay a six per cent sales tax when any company producing salt in Canada does not have to pay it. I do not think it is fair, I do not think it is right, and I am trying to be charitable in saying that some way or other these words "when manufactured or produced in Canada" were slipped into this exemption clause last year. I respectfully submit to the minister that it is not in the interests of the fishermen that they should be so taxed on their salt. I need not explain to the Minister of Finance the deplorable condition of that great industry of the maritime provinces at the present time. I should not be here asking the minister to take off this impost, I should be at home trying to do something

[Mr. Duff.]

for the fishermen of my province. If my hon. friend does not do something to encourage the fishing industry of the maritime provinces, I do not know what is going to happen. I cannot understand why the minister did not give consideration not only to the idea of not having any sales tax on salt but of not increasing the tax to six per cent this year. Instead of not taking salt out of the exempted list, by this clause he deliberately increases the sales tax from four to six per cent.

Let me say something else to my hon. friend in regard to this sales tax on salt. Under a treaty with the island of Newfoundland fish produced there comes into Canada free of duty. I am in favour of that, because all the fish which comes in from Newfoundland is handled by the exporters of fish in Halifax and Lunenburg—I handle some myself—and it does not interfere in the slightest with the producers of fish in Canada; we are able to steady the market by handling a certain portion of Newfoundland fish. But I would bring this to the attention of my hon. friend as another reason why salt should go on the exempted list altogether, both as regards excise and sales tax. Our fishermen have to compete with the fishermen of Newfoundland, and if our fishermen have to pay a three per cent excise tax and a six per cent sales tax, the fishermen of Newfoundland can land their fish in Halifax, Lunenburg or any other Canadian port cheaper than can the Canadian fishermen. For that and other reasons I say to my hon. friend he should amend this clause and exempt salt from the sales and excise tax. It is bad enough for our fishermen to have to pay the excise tax on salt. Of course, if every other article imported is subject to the excise tax I am not going to object very strongly to the three per cent on salt, but I do urge my hon. friend that if it were possible to take both the sales tax and the excise tax off salt it should be done, because our fishermen need every little bit of help to encourage them in their industry. Our fishermen have not only to pay these taxes on their salt, but also on everything else they buy either for their families or to prosecute their industry. My hon. friend should take that into consideration and do something to hold up the hands of these people, and endeavour to encourage an industry that is practically at its last gasp.

Under this clause there is another hardship to our fishermen. Up to this year, as I said a moment ago, there were certain exemptions under schedule 3. If my hon. friend will look at page 4 he will notice the following: