

I quite agree that this question of unequal distances cannot be ignored entirely, but this house went very far in support of the principle I am now suggesting when the Maritime Freight Rates Act was passed under which a huge subsidy was paid out of the consolidated revenue fund to permit the haulage of freight from Halifax and Saint John in order to eliminate a geographical disadvantage. I quite agree that some problems of administration are involved in such an adjustment, but this is something which the minister should not dismiss just because of the difficulty. I think it is worthy of consideration.

Mr. McLEAN (Melfort): I would like to ask the Minister of National Revenue where the line is drawn between assembling and reassembling. I have listened to so many opinions from so many hon. members that I believe there is some confusion over what they are discussing. It seems clear to me that some are talking about assembling and others are talking about manufacturing.

Mr. EULER: The same thing.

Mr. McLEAN (Melfort): No. It is impossible for a manufacturer who is establishing himself in Winnipeg or Vancouver to avoid paying sales tax and excise tax on parts that enter into his product if he brings them in from all over Canada, but I do not think there is any such manufacturer in western Canada. It would be possible to do what the hon. member for Moose Jaw (Mr. Ross) suggests, namely, collect the same sales tax and excise tax on a car assembled in Winnipeg as are now collected on a car assembled in Windsor, if only the same manufacturers were making such cars and sending them out from Windsor. But if the manufacturer establishes himself in Winnipeg or Vancouver he does so simply to get lower costs than he would get in his own city. It becomes very important where the line is drawn between assembling and reassembling. The minister said that if a car was reassembled in Winnipeg there would be no additional charge added and there would be no tax, I understood him to say, on the freight from Windsor to Winnipeg.

Mr. YOUNG: Did the minister say that?

Mr. McLEAN (Melfort): Yes, he did. This is of a great deal more importance than appears on the surface because not only do we pay the thirteen per cent additional on automobiles, as was pointed out by some of my hon. friends, but this would apply also to other machinery that is shipped in a condition where it has to be reassembled before it goes to the ultimate consumer. It would

apply to farm implements, for example, which are sent out in a condition where they have to be reassembled. I wish the minister would inform the committee—and if he has not the information before him now he can get it quite readily—just where the line is drawn between assembling and reassembling, say at Winnipeg, Regina or Vancouver, and where and how the sales tax and the excise tax making up the thirteen per cent are added, and whether they are added on stuff that is reassembled. I think if we had that information it would clarify the question.

Mr. EULER: It depends upon where the sale is made and upon the price.

Mr. ILSLEY: I have stated the principle that applies, and I cannot state it any more clearly. What I had better do, I think, is to find out just what is happening in reference to Ford cars and whether we regard what is happening in Winnipeg as assembling or as a manufacturing operation.

Mr. STEVENS: Will the item stand until we get that information? Otherwise—

Mr. BENNETT: May I point out that the question raised has no bearing upon the item now before us, although it has an important bearing upon an item just passed. I want to be able to give the information—

Mr. STEVENS: I was asking the Minister of National Revenue if the item stood.

Mr. DUNNING: Inasmuch as it is really my item I was trying to answer my hon. friend. The question which has been raised certainly does not apply to the resolution now before us; it would apply, I assume, to the one which we have passed. Be that as it may, I am anxious that the fullest information should be afforded; I should like to see if there is not some other item upon which we could give absolutely detailed information perhaps by eight o'clock this evening, and we can take up another item as the question is not properly applicable to this one.

Mr. STEVENS: We are on paragraph 4, Mr. Chairman, with reference to automobiles?

Mr. DUNNING: The special tax on automobiles.

Mr. STEVENS: That applies exactly the same.

Mr. DUNNING: No, because automobiles not more than \$650 are exempt, and therefore the Ford car is exempt.