

Mr. BENNETT: That is perfectly clear. I propose merely to place these changes before the committee to-night in order that they may understand them.

If hon. members so desire I could give a short résumé of the changes in connection with some of the items. For instance, the schedule covers "bakers' cake, and pies, not to include biscuits" in connection with which there had been some difficulty previously. Then there is "peameal, pearl barley, split peas, barley meal, pot barley," in connection with which there had been some difficulty previously concerning classification. "Hops, when produced in Canada, as distinguished from the imported commodity; and "vegetable plants." Then there is "corn syrup, maple syrup and sugar cane syrup." This is amplified. Then there is "salt, when manufactured or produced in Canada" which is to be free from sales tax; previously the item was just "salt." "Fence posts" were described as round, and there was no provision for split fence posts. In connection with that some question was raised. Then there were "articles imported for the personal or official use of the British High Commissioner, ministers of foreign countries, consuls general who are natives or citizens of the country they represent and who are not engaged in any other business or profession." This change conforms to what has been the practice. This practice had been pressed upon the former government, and I believe they were beginning to give effect to the representations made. Then there are "usual coverings to be used exclusively for covering goods not subject to the consumption or sales tax." Some difficulty arose concerning the tax imposed upon coverings when the goods which they covered were taxed under the provisions of the statute as it stood. This change is to bring about a reasonable condition. Then there are "materials to be used exclusively in the manufacture of usual coverings to be used for covering goods not subject to the consumption or sales tax." Then there are "articles and materials for the sole use of any bona fide hospital when purchased in good faith for use exclusively by the said hospital and not for resale." In practice that was being done, and there was a nice question as to whether or not the statute was broad enough to permit its being done. Any doubt in that respect is removed.

Mr. RALSTON: Is my hon. friend reading exemptions?

Mr. BENNETT: Yes.

Mr. STEWART (Edmonton): They were exempted before.

Mr. BENNETT: As a matter of fact it is not quite clear that they were entitled to exemption.

Mr. STEWART (Edmonton): My hon. friend has referred to corn syrup, and such things as that.

Mr. BENNETT: There were three syrups specified there, and the point made by the officers was that it did not cover all forms of syrup, but only maple syrup. I think my hon. friend realizes that in connection with hospital supplies the question arose as to whether or not the language was sufficiently broad.

Mr. STEWART (Edmonton): I notice the new definition for the tax in the list.

Mr. BENNETT: This is specially provided.

Mr. BEAUBIEN: Supposing after this budget was introduced I went to the shop of a certain wholesaler and bought goods, the tax would be imposed by that wholesaler and he would collect 4 per cent for the goods I purchased from him. Does that wholesaler keep the money he collected from me or does he pay it to the treasury?

Mr. BENNETT: Obviously if he collected it he pays it to the treasury. There is no difficulty upon that score. He could not get the money back which he did not collect.

Mr. RALSTON: As I understand it the exemption now comes into effect as of the first of June. How can collections be made from the wholesaler if there is no statute?

Mr. BENNETT: No, my hon. friend has not grasped what I have said. With respect to the exemptions the wholesaler makes his return at the end of the month. He has not yet made his return. With respect to matters in connection with which he collected taxes on the resolutions as they existed, and passed them on to the consumer, he will pay them to the state.

Mr. RALSTON: On what authority?

Mr. BENNETT: On the authority of the resolution.

Mr. RALSTON: I understand this resolution takes the place of the old resolution.

Mr. BENNETT: Certainly; he is not going to escape the tax. If he has paid it he cannot get it back.

Mr. RALSTON: How can he be collected from if there is no statute authorizing collection?

Mr. BENNETT: There is no proposal to collect it if he is not himself collecting it.