

Special War Revenue Act

fused to pay the tax, and have charged it back to the farmers, because they claim, whether rightly or wrongly, that they are not the actual purchasers of the grain. It is that situation which has led to all the difficulty.

Mr. GOULD: I am sure it is not the intention of the minister to enact legislation through which a coach and four can be driven.

Mr. ROBB: Not if I can help it.

Mr. GOULD: I am sure he realizes that, with the exemption of the five-dollar cheque, ten dollars can be paid with two cheques. I would ask that an exemption be made of cream tickets, and I will give the reason. In our western country in the summer time feed is much cheaper, and cream is also cheaper, and usually in the case of a five-gallon can less than five dollars will pay for the cream; but in the winter time, when people are trying to bring in a little revenue, often it costs as much as ten dollars to produce a can of cream; therefore it is a complete loss of the tax on anything less than ten dollars. I think the minister can secure a revenue by a strict enforcement of the tax on the wheat ticket or the grain ticket. I would like to ask what penalty is provided in case the individual issuing a wheat or grain ticket refuses to comply with the law.

Mr. ROBB: I have not the act before me, but I am told there is a penalty and the officer tells me he thinks it is \$100. I hope hon. gentlemen will not press for the ten-dollar provision; let us try the five-dollar proposition and find out for ourselves how much revenue we can afford to lose next year. I think that is a fair concession.

Mr. CAMPBELL: I am pleading with the minister to raise the revenue of the country and will he not consent to raise the minimum from \$2,500 to \$5,000 or \$10,000?

Mr. ROBB: There was no limit on it at one time, but experience proved we were losing money and we dropped it in order to get more revenue.

Mr. CAMPBELL: Is the minister in a position to prove that they lost revenue? I can quite conceive of big companies going to the minister and telling him about the treasury losing money; but I cannot conceive of these same companies going across the line to deposit their money. I think if the minister wants the money there is an opportunity there to get it.

Mr. RYCKMAN: In reference to this question of going across the line to deposit money, that is not necessary at all. Banking by mail

[Mr. Brown.]

was the usual practice of large houses. There was not a large concern within my knowledge that did not have a bank account in the city of New York. If you are making two dollars on every five thousand in an account, it will pay you abundantly to keep your accounts in the United States. There is no use arguing the question; every business man knows there was money lost to the country by the imposition of this tax on large amounts. It would seem to me that anyone who is able to buy five gallons of cream—and that is what a can contains—would be able to pay this tax.

Mr. CAMPBELL: If a cheque is issued on a Canadian bank and if that is sent by mail to be deposited in a bank in New York, do they not charge a little heavier exchange than the regular exchange and that will eat up any saving effected in issuing a cheque on a New York bank?

Mr. RYCKMAN: It paid to keep a banking account in the city of New York, and my hon. friend must know that once you have the money in New York, you pay nothing for chequing it out. You can cheque it out in any amount. At one time—and I am glad to say that that time is past—New York funds were at a premium. Consequently, if you gave a New York cheque you were at a great advantage and you did not have this tax to pay. The people of Canada in hordes were running away from banking in our sound, home banking institutions. Another factor in the matter was this. We in Canada had millions on deposit in the United States and we were without the benefit of that money in Canada. The whole thing was so absurd, such a disadvantage to the country, that it was soon cured even by this government.

With respect to the desperate fight that my hon. friends to my left are putting up to escape a two cent tax on five gallons of cream, it would seem to me that the man or the dealer who was able to buy this cream could quite well afford to put the stamp upon these cream tickets, as my hon. friends call them. The tax does not come out of the farmers.

Some hon. MEMBERS: It does.

Mr. RYCKMAN: No. The man who buys the cream is the one who, under the law, is required to put the stamp on.

Mr. STEWART (Humboldt): But the cream is handled co-operatively.

Mr. RYCKMAN: Of course, if you allow yourselves, as the hon. member for Portage la