

Right Hon. Mr. MEIGHEN: If you tax the product in Canada you will encourage importation, which is precisely what we do not want to bring about.

Hon. Mr. McRAE: Schweppes and other charged waters are imported, and, I take it, they will not be affected by this Bill. It does appear to me that the proposed tax would encourage the importation of soft drinks of that nature.

Hon. Mr. DANDURAND: My honourable friend is aware of my predicament. This is a Bill which we cannot amend. I recall that sometimes the Government have studied representations from persons affected by taxation, and at a later date have modified the tax. In January, according to the view expressed by the Prime Minister to-day, Parliament will again be in session. We shall then be able to retrace our step, if necessary. However, I will draw the Minister's attention to my honourable friend's remarks.

Right Hon. Mr. MEIGHEN: I do not think we ought to hurry in order to conclude our work to-night. Why not give the Bill second reading now and leave the third reading for to-morrow? It is possible that the import duty is taken care of under Customs Tariff item 25a; I do not know. I should not think it likely, however, because the surrounding items are not the same at all. So far as we are informed at the present time, it looks to me most ill-advised to tax our own production and fail to tax the competing imported article. A very slight tax on the domestic product will make importation a paying business. Let us wait until to-morrow morning before disposing of this Bill. If the Government official looks into the matter and has a satisfactory explanation, it will be all right so far as I am concerned.

Hon. Mr. DANDURAND: I will accept my right honourable friend's suggestion.

Hon. Mr. BLACK: I do not know whether this explanation is of any advantage to the House, but I think I am right in saying that none of the aerated drinks imported in bottles will compete with the soft drinks referred to by the honourable member from Bedford-Halifax (Hon. Mr. Quinn) as the "poor man's drink." For instance, Schweppes sells at 10 cents and upwards per bottle, while the drinks to which he refers retail at 5 cents a bottle.

Hon. Mr. QUINN: Yes.

Hon. Mr. BLACK: I do not think the 2-cent tax would affect any aerated drinks imported in bottles, for they do not compete with any soft drinks made in Canada.

Hon. Mr. DANDURAND:

Hon. Mr. McRAE: In view of the prospect of another session in January, I do not think this matter is of sufficient moment to hold up the passing of the Bill. The item is a small one and can, if necessary, be revised at a later date, when several other phases can be discussed in connection with it.

Hon. Mr. DANDURAND: Then I shall move third reading of the Bill.

Right Hon. Mr. MEIGHEN: Why pass it to-day instead of to-morrow?

Hon. Mr. DANDURAND: I am just informed that the last of the bills has been passed in the House of Commons, and that if the Senate disposes of this legislation this evening we may prorogue to-morrow morning.

Right Hon. Mr. MEIGHEN: We may as well prorogue at noon to-morrow as early in the morning. We shall not prorogue to-night. I should think it would be a more dignified and better performance of our duty to leave the third reading of the Bill until to-morrow in case we think of anything between now and then, and so that the Government may deal with any other questions that may be raised. We can get through to-morrow in an hour or less.

Hon. Mr. LACASSE: I do not know to what extent my fellow-members of the medical profession will support me in this suggestion. The manufacturers of soft drinks can offset the tax by reducing the portion. There would be another happy result—less dyspepsia all round.

The motion was agreed to, and the Bill was read the second time.

Hon. Mr. DANDURAND: Third reading next sitting of the House.

INCOME WAR TAX BILL

FIRST READING

A message was received from the House of Commons with Bill 9, an Act to amend the Income War Tax Act.

The Bill was read the first time.

SECOND READING

Hon. RAOUL DANDURAND moved the second reading of the Bill.

He said: Honourable senators, I would ask the Chamber to bear with me while I read the terms of this Bill, which is a very simple one, though no one will doubt the heaviness of the charge. Later I may refer to the explanation given by the Minister. The provisions of the Bill are as follows: