

Subsection 2 of section 2 was agreed to.

Subsection 3 of section 2 was agreed to.

On subsection 4 of section 2—new excise taxes:

Hon. Mr. BOSTOCK: Are these taxes paid by the wholesaler?

Hon. Sir JAMES LOUGHEED: By the manufacturer or importer.

Hon. Mr. FOWLER: Does this section with regard to the tax on motor boats apply to new boats? Suppose a man has a boat which he has had for five or six years and he sells it, is there a tax on that sale?

Hon. Sir JAMES LOUGHEED: It would be applied only under two conditions: in the manufacture or in the import. As the boat is an old one changing hands it would not be subject to the tax. Of course, if it were bought out of the country and were imported it would be subject to the tax.

Hon. Mr. FOWLER: There is a tax on automobiles. Why do you not tax gasoline?

Hon. Sir JAMES LOUGHEED: That is subject to the Sales Tax.

Hon. Mr. FOWLER: I would suggest that there should be a special tax on gasoline, with a rebate to people who require to use it, because there is an enormous amount of money wasted by joy riders.

Hon. Sir JAMES LOUGHEED: The difficulty is to follow it.

Hon. Mr. FOWLER: Is not this a very simple matter? There would be a tax on every gallon of gasoline sold. Then men like doctors and merchants—

Hon. Mr. McLEAN: And fishermen.

Hon. Mr. FOWLER:—and fishermen—whoever require in their business to use motors of any kind—would get a rebate. In that way you would get after the joy riders, and would stop the excessive use of gasoline. If it did not do that it would fill the coffers of the country if they continued their wild extravagance. I would suggest that something should be done along that line.

Hon. Sir JAMES LOUGHEED: It is worth considering. Of course, we now get 2 per cent on the sale.

Hon. Mr. FOWLER: You ought to get 20 cents a gallon from the joy rider.

Hon. Sir JAMES LOUGHEED: We will get after him.

Hon. Mr. FOWLER: Why should there be the tax which is proposed in paragraph

Hon. Sir JAMES LOUGHEED.

f of this section? Have we not prohibition in the country? It would seem that the Government has not yet been apprised of the fact that we have prohibition.

Hon. Mr. DANDURAND: The honourable gentleman should know that each province has its autonomy, and the Government is recognizing that principle.

Hon. Mr. FOWLER: All right, let it go.

Subsection 4 of section 2 was agreed to.

On subsection 5 of section 2—payment at time of sale or importation:

Hon. Mr. BOSTOCK: There is a matter here which I do not quite understand. This subsection says:

The excise taxes as imposed by the preceding subsections 4 and 5 shall be payable on the duty paid.

It is subsection 5 that we are dealing with. I think there is an error there.

Hon. Sir JAMES LOUGHEED: That is evidently wrong. Strike out the words "and five" and strike off the "s" from the word "subsections."

Subsection 5 of section 2, so amended, was agreed to.

Subsection 6 of section 2 was agreed to.

On subsection 7 of section 2—licenses:

Hon. Mr. BOSTOCK: Would every person dealing in articles like lime juice in a retail store have to take out a license?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. FOWLER: What is the cost of the license?

Hon. Sir JAMES LOUGHEED: \$2 is the maximum.

Hon. Mr. DANDURAND: I would call the attention of my honourable friend to the fact that there are little businesses—I would hardly call them stores—carried on by people in their own houses along the roads, where they sell ginger ale and other things. Of course, I do not know what profit they get in a year, but no doubt they get something. I have no objection to the Government levying a \$2 tax on them.

Hon. Mr. FOWLER: They are not covered by this provision.

Hon. Sir JAMES LOUGHEED: Those soft drinks do not contain alcohol.

Hon. Mr. FOWLER: It is not the people who are selling ginger ale and things of that kind that we want to get at. But there are