

Sir THOMAS WHITE: I think he would be, provide he did not walk across the border, which he might do. In subsection "a" of section 4, I inserted language which I think will meet cases such as my hon. friend has cited. My hon. friend will observe that the subsection refers to a business which is, or has been, manufacturing or dealing in munitions of war, or in materials or supplies of any kind for war purposes. The difficulty, in applying a scheme of taxation to all these so-called middlemen and some of those men who were spoken about the other night, who had made profits on flotations of common stock, is to find them, because their domicile may be here to-day, in the United States next month, and in England a month later.

Mr. TURRIFF: To make the matter a little clearer, let us take the case of our friend Col. John Wesley Allison.

Sir THOMAS WHITE: Who is that?

Mr. TURRIFF: John Wesley.

Sir THOMAS WHITE: John Wesley?

Mr. MACDONALD: My hon. friend does not mean to say he does not know him.

Mr. TURRIFF: Suppose that this gentleman made only 25 cents on each of those of which there are about 4,000,000. That would mean a profit of \$1,000,000, and probably his profit was a great deal more. His residence is in Canada, I do not think he has any business of his own. The question is: Will he be liable for taxation?

Sir THOMAS WHITE: My hon. friend has put what I think might be called a hypothetical or academic case.

Mr. TURRIFF: I beg the hon. minister's pardon. It is a very practical case.

Sir THOMAS WHITE: A court, let alone a minister, will not answer academic questions. I do not understand that any such profits as my hon. friend has suggested have been made; at all events, they have not been brought to my attention, and I do not think there is any evidence to show that any such profits have been made. I refer my hon. friend to the subsection in the resolutions in which it is stated that any one in Canada dealing in munitions will be liable under the provisions of this measure.

Mr. TURRIFF: I do not think there is any question about the profits, because those

fuses were let at a price of \$4.25 on an average, and since then they have been made in Canada at about \$1.30 less, so that 25 cents apiece is a very small profit for John Wesley, the way he figures his profits.

The CHAIRMAN: I hope the hon. member will not pursue this phase of the subject at length. Under this paraphrase we are considering the computation of profits.

Mr. TURRIFF: It is the net profits we are discussing.

Mr. MICHAEL CLARK: I understand the minister to say that he first catches his hare and then cooks it.

The CHAIRMAN: Order. The point which I understood the hon. member to raise was whether this measure would apply to a certain person. His point had nothing to do with the question of profits at all.

Mr. TURRIFF: My hon. friend the Chairman has misunderstood me. The information that I was trying to get was whether such a person making such profits would be liable for taxation; and, so that the matter might be easily understood, I gave the concrete case of our friend Col. John Wesley.

The CHAIRMAN: Order. I still think the hon. gentleman is out of order, because the paragraph that we are considering refers to the method of computation of profits, and has nothing to do with the question as to whether it applies to an individual or not.

Mr. TURRIFF: I will bow to your ruling, Sir, but it strikes me that you are drawing the line particularly fine when you want to say exactly what the discussion shall be on any particular clause.

Mr. ROBB: The minister has told us that sub-paragraph "a" of paragraph 4 applies to munitions. Will it also apply to a purchaser of horses? I have in mind a lawsuit in which it was shown that considerable profits had been made on horses bought in the United States and shipped through Canada by Canadians who apparently had no capital invested in the business.

The CHAIRMAN: I am in the judgment of the committee. Of course, if they choose to discuss what ought properly to have been discussed at an earlier stage of these resolutions, when the word "person" was defined, I shall have no objection; but I must submit to the committee that the paragraph