

Mr. ILSLEY: The reason it was not given first reading earlier was because a resolution has been on the order paper for weeks, and it was not desired to proceed with the bill until the resolution was disposed of.

Section agreed to.

Sections 4 and 5 agreed to.

On section 6—Recovery of penalties.

Mr. CAHAN: What is the effect of the new provision in this section?

Mr. ILSLEY: Section 6 merely makes a grammatical correction, changing the wording. It does not make any change whatsoever in the effect or meaning of the section. It is a clerical amendment to correct a typographical error, also to define more clearly the punishment referred to in paragraph (b). Personally I have some doubt as to the necessity for it.

Section agreed to.

Sections 7 and 8 agreed to.

On section 9—Importing or manufacturing apparatus.

Mr. CAHAN: Why is there a reduction in the licence fee from \$20 to \$2? Is this intended to develop the home brew trade?

Mr. ILSLEY: Oh, no. These are chemical stills used in universities and laboratories, and that sort of thing. There was no reason for a licence fee of \$20.

Mr. CAHAN: Are they restricted to laboratory use?

Mr. ILSLEY: No, but numerous persons and firms after paying for licences to have and use a chemical still have strenuously complained of being required later to pay another licence fee of \$20 for the privilege of importing or manufacturing the same. In the case of those engaged in the business of manufacturing stills on a large scale, a licence fee of \$20 per annum is not complained of; but when it is desired to build one still only, it is claimed that the additional licence fee makes the cost prohibitive. Universities, laboratories and various industrial concerns quite frequently desire to construct their own stills. The reduced licence fee provided by the proposed amendment makes this feasible, and at the same time provides definite control. The all important thing is to know where the stills are.

Mr. CAHAN: And the use to which they are put.

Mr. ILSLEY: There is no doubt about that. That is not controlled by the difference between \$2 and \$20, however.

Section agreed to.

Sections 10 to 14 inclusive agreed to.

On section 15—Least quantity to be warehoused for consumption.

Mr. CAHAN: You must remember, Mr. Chairman, that this bill was distributed only a short time ago, and we can hardly follow the text rapidly enough to keep up with you.

The CHAIRMAN: I have no desire to hurry the hon. gentleman.

Section agreed to.

Sections 16 to 20 inclusive agreed to.

On section 21—coming into force of section eleven.

Mr. STEVENS: This section provides:

Section eleven of this act shall be deemed to have come into force on the second day of December, 1933.

This question of making sections of a bill retroactive is a very serious one, and I should like to have an opportunity to see just how this applies. Is there any significance to the retroactive feature of this section? Would the minister explain that?

Mr. ILSLEY: I explained that briefly a few moments ago. In 1933 the Minister of National Revenue fixed a validation fee for the certifying of export entries of spirits being exported.

Mr. BENNETT: In bottle.

Mr. ILSLEY: In bottle or in any other container. It has been suggested that the power of the minister did not extend to the fixing of a fee larger than was proportionate to the actual cost of the work performed, and of course 20 cents per gallon is disproportionate to the amount of work performed in certifying these export entries. A large amount has been collected between 1933 and the present time. The distillers are very anxious to have the fee either reduced or removed.

Mr. CAHAN: And to have the fee returned.

Mr. ILSLEY: No.

Mr. CAHAN: If any fees have been collected since the date mentioned here, they will have to be returned.

Mr. ILSLEY: Of course, in their discussions with the department they have hinted or intimated that there perhaps is a legal point under which they could recover several millions of dollars in fees they have already paid. It is important to have this validated.