

all the consumer is interested in is the price he pays, and there is no tax on the current he buys. The costs of the Shawinigan Power Company are not advanced five cents by this tax; and the profits of the Hydro Commission would be no greater and no less whether the tax applied to them or not. If this tax were imposed on the amount of electricity used by the consumer, so that the cost to him was increased in these sections and was reduced in those sections, then I think my hon. friends point would be perfectly correct. But over and above all these considerations, I do not think that the Crown, acting in the right of the Dominion, has ever yet thought that it had power to tax the Crown in the right of the provinces.

Mr. BUREAU: The Hydro Commission could be taxed the same as the Intercolonial Railway Commission has been sued heretofore. It is only a fiction, anyway.

Sir HENRY DRAYTON: I think my hon. friend will agree with me when I say that that commission—

Mr. BUREAU: The principle is right.

Sir HENRY DRAYTON:— acting as it does for the Ontario Government and supported as it is entirely by grants from the Ontario Government and by income received from the municipalities, has its property vested in the Crown in the right of the province.

Mr. BUREAU: Absolutely.

Sir HENRY DRAYTON: And I do not think my hon. friend would suggest that this Parliament would have the right to tax such property.

Mr. BUREAU: But you could tax the commission itself. We had the same fiction about the Intercolonial Railway Commission some years ago. On the principle that the King can do no wrong we had to proceed by petition of right. But it became an abuse when a man who had a cow killed on the track or lost a bag of flour in transit had to come to the Governor in Council to get a petition. We got over that by substituting the commission for the Crown.

Mr. FIELDING: The excess profits of the Canadian National Railway Company will come under the operation of this Bill?

Sir HENRY DRAYTON: I think they ought to.

Mr. FIELDING: The stock of that company is vested in the Crown, and according to my hon. friend's contention it can-

not be reached because it is so vested. But perhaps we had better wait until the company earn some profits.

Sir HENRY DRAYTON: I think my hon. friend is speaking ironically; but, if taken seriously, it would not be a very profitable matter for the stockholder to tax the stockholder, which would be in effect the result of bringing the company under this law.

Mr. BUREAU: Perhaps if we taxed the deficits we would get more revenue.

Mr. LAPOINTE: I quite realize that electricity as such is not taxed, and of course if it were taxed in one province and not in another the action would be indefensible. But my hon. friend says that the Hydro Electric Commission is not operated for the purpose of making profits. Of course, that means that the revenue is used to develop the property and, as a result, give cheaper power to the consumers. In that, it seems to me, there is a discrimination, because the stockholders of a private company cannot do the same under the Business Profits War Tax. Under subsection 3 of section 6 it is provided:

No deductions from the gross profits for depreciation or for any expenditure of a capital nature for renewals, or for the development of a business, or otherwise in respect of the business, shall be allowed, except such amount as appears to the minister to be reasonable and to be properly attributable to the accounting period, and the minister when determining the profits derived from mining shall make an allowance for the exhaustion of the mines.

Another section provides that a company shall not sell its products or goods at a price below what the minister may consider to be a fair price. In this case there is a discrimination, because the Hydro Electric Power Commission not only has the right to do that, but its purpose is to employ its profits to lower the selling price of its electricity. Why should consumers in other parts of the country be deprived of the same privilege of having their electricity cheaper as a result of the good management of the company?

Sir HENRY DRAYTON: I would like to ask the hon. gentleman a question.

Mr. LAPOINTE: I am asking questions.

Sir HENRY DRAYTON: Can he tell me how it is feasible for this House to force the Hydro Electric Commission to make excessive profits, even if we wanted the commission to do so?

Mr. LAPOINTE: I do not think we can