

Mr. ABBOTT: That is right, and that is standard tax practice. When a tax is imposed in this way there is no refund made to a retailer if the tax is taken off. If his stock consists of tax-paid inventory and the tax is taken off, the automatic effect is that the value of his inventory falls by the amount of the tax. So what the dealer gains when the tax is put on he loses when the tax comes off. That is standard tax practice. It has been the practice in this country ever since tariffs and taxes were imposed, that the holders of inventories benefit when a tax is put on and lose when a tax is taken off. I have had delegations come to see me within the last two months from wholesale grocers in connection with the removal of the tax on sugar. They say that they have had substantial losses by the removal of the one cent tax on sugar. With a sympathetic look on my face I had to tell them that that is unfortunate, but that is what happens when a tax comes off. They gain when the tax goes on but lose when the tax comes off.

Progress reported.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT: It is the intention to call tomorrow resolution No. 3 on the order paper today, dealing with the Geneva trade agreement, for the purpose of referring it to the committee on banking and commerce.

Mr. BRACKEN: That is, without approving it at this stage?

Mr. ST. LAURENT: With nothing more than merely referring it to the committee on banking and commerce, hoping that further debate upon it can be had when the information will have been obtained in the committee on banking and commerce. Then the Minister of Justice would like to move his resolution, which is No. 17 on the order paper, having to do with the bill to provide for the continuation of certain orders and regulations of the governor in council for a limited period, and to make a statement as to what there is left to which the bill will apply, so that over the week-end members may have that information and know just to what extent this bill for prolonging the emergency powers would go. He would hope that the resolution might be adopted and that the debate upon the propriety of continuing some or all of these measures could be had

after the bill is distributed. But even if that were not possible tomorrow afternoon, if the house were not prepared to adopt the resolution after short debate, the debate might be adjourned; but hon. members would have on *Hansard* the minister's statement as to what the bill will refer to. Then we shall proceed with the second reading of the bill to amend the wheat board act and, after that, return to the resolution dealing with these excise taxes.

Mr. BRACKEN: With respect to the wheat board act, I understand that the minister is having that brought forward in divided form.

Mr. ST. LAURENT: My understanding is that it will have to proceed to second reading and in committee of the whole in the form in which it is. The question of procedure is being considered by the minister and by the Clerk, but it seems that the only way to get the benefit of what has been done up to the present time will be to strike out of that bill the part which deals with coarse grains and carry it on only with the remaining provisions, and introduce another bill to deal with coarse grains. That is something which could be done in committee of the whole. In committee of the whole the new part dealing with coarse grains would not be passed and the bill would be reported without that part, so that it could go forward and be adopted without undue delay.

Mr. BRACKEN: The minister has said that the resolution moving discussion of the Geneva trade agreements will be brought forward tomorrow in order that it may be referred to the committee before being approved by the house?

Mr. ST. LAURENT: Yes.

Mr. BRACKEN: And then come back to the house. Is the minister in a position to say he will do the same thing with the resolution with respect to the exchange of letters regarding the abandonment of the British trade preference?

Mr. ST. LAURENT: No. I am not in a position to say that, and I can say that it is not regarded as being as urgent as the others.

It being seven minutes after eleven o'clock, the house adjourned, without question put, pursuant to standing order.