

EXCESS PROFITS TAX BILL

FIRST READING

A message was received from the House of Commons with Bill 12, the Excess Profits Tax Act.

The Bill was read the first time.

Hon. Mr. DANDURAND: Is my right honourable friend agreeable to our giving second reading to-night?

Right Hon. Mr. MEIGHEN: This is another important measure which might better be left over until our next sitting. We are apparently expected to legislate en masse.

Hon. Mr. DANDURAND: Second reading at the next sitting.

The Senate adjourned until to-morrow at 10.30 a.m.

THE SENATE

Wednesday, September 13, 1939.

The Senate met at 10.30 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

SPECIAL WAR REVENUE BILL

THIRD READING

Hon. RAOUL DANDURAND moved the third reading of Bill 8, an Act to amend the Special War Revenue Act.

He said: A question was raised in the House yesterday as to whether the tax of two cents a pound on carbonic acid gas would subject Canadian-made soft drinks to unfair competition with imported products. There are, of course, a certain number of imported drinks of a high order and so costly that they could not compete with our own cheaper beverages. As to the imported drinks which at the point of origin cost about the same as our low-priced drinks, I have this statement from Mr. Sim, Commissioner of Excise:

With reference to the question of soft drinks being imported from the United States, in view of the tax imposed on carbonic acid gas by the Budget yesterday, my view is that, with the cost of freight for transporting the product from the place of manufacture in the United States to the Canadian distribution offices, plus the freight for returning the empty bottles and the customs duty of 20 per cent, with 8 per cent sales tax applicable on the product, plus the duty, and without refund of the duty on the empty bottles, there would be ample safeguard against any extensive importation.

Right Hon. Mr. MEIGHEN.

Right Hon. Mr. MEIGHEN: The explanation given by Mr. Sim may be quite correct. I should think that the duties and freight which he mentions would afford sufficient protection to Canadian drinks, but only one who is in the business could be sure about this. Apparently the honourable senator from Bedford-Halifax (Hon. Mr. Quinn) is not present at the moment.

Hon. Mr. DANDURAND: I think the statement clearly shows that we need not fear the tax will result in serious competition of American drinks with our own. We cannot amend this Bill, and the Government will have to take responsibility for it. If when we come back here in January it is evident that the tax has caused any injustice, we can make a change then.

The motion was agreed to, and the Bill was read the third time, and passed.

INCOME WAR TAX BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 9, an Act to amend the Income War Tax Act.

He said: Honourable senators, I do not recall any inquiries being made yesterday that I undertook to answer, with respect to this Bill.

The motion was agreed to, and the Bill was read the third time, and passed.

WAR CHARITIES BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 11, an Act relating to War Charities.

He said: Honourable senators, I have before me a statement prepared by the Assistant Under Secretary of State, Mr. O'Meara, explaining this Bill and its variations from the Act of 1917.

This Bill has been drafted on the basis of the War Charities Act, 1917, but with changes suggested by experience in the administration of that Act.

In the earlier Act the definition "war charities" included funds, institutions and associations. It seems anomalous that the definition should combine the fund and the institution or association by which the fund is collected. In the draft Bill, it will be observed, "war charity fund" is defined, and it is this fund which is required to be registered.

An attempt has been made in section 3 to prevent collections in the name of a war charity fund by an unauthorized collector, as well as to prevent appeals on behalf of an unregistered war charity fund.