

Mr. ROBB: This is the date proposed by the department.

Sir GEORGE PERLEY: The minister will have to reconsider it. It is true that the returns for the previous quarter come in on the sixth of July, but the banks will make up the statement for the previous month on the first day of August.

Mr. ROBB: They will have until the sixth to collect.

Sir GEORGE PERLEY: Yes, but on the first day of August the banks will have to send in their accounts for the stamp tax up to July sixth. That is what they will have to do according to the bill as it stands, and that is not the intention.

Mr. BENNETT: The minister will see that according to the printed explanation of this section it is not intended that the tax shall continue for the quarter beginning the first day of July, 1927, but the statute distinctly says that it shall.

Mr. ROBB: The department, having considered the matter, has proposed the date here fixed. They will have until July 6 to make the returns.

Mr. BENNETT: The matter does not require any argument. If the statute is not repealed until July 6, then obviously the old law will apply to the first six days of that month. No argument is necessary.

Mr. ROBB: The Department of Justice has ruled that if the old law is repealed as from the first day of the month we shall not be able to collect for the previous quarter.

Mr. BENNETT: I suggest that you might overcome that difficulty by substituting the third for the sixth, inasmuch as the first, second and third days of July are holidays. If you make it the sixth, the tax will still have to be paid for two days.

Mr. ROBB: I would direct my hon. friend's attention to the following provision in the Special War Revenue Act:

Whenever an advance is made by a bank to any person by way of overdraft the bank shall, on the last day of each month, or within five days thereafter prepare a statement showing the maximum amount of the overdraft...

Mr. BENNETT: The language of the bill rather disguises thought.

Mr. ROBB: I am going by the Justice department.

Mr. BENNETT: I do not think the Department of Justice ever said that.

Section agreed to.

Bill reported.

Mr. ROBB moved the third reading of the bill.

Hon. HUGH GUTHRIE (Leader of the Opposition): Mr. Speaker, on the motion for the third reading of this bill I beg to move an amendment in the following terms:

That all the words after "that" be struck out and the following substituted therefor:

In the opinion of this House the application of sales tax in respect of personal clothing and boots and shoes places a heavy and unnecessary burden upon the people of Canada, and should be discontinued.

I have endeavoured to frame this amendment in accordance with the rules of the House, Mr. Speaker, but it may be that in the result I would have been able only to express what Your Honour has time and again described as a pious aspiration on the part of the House. This amendment really involves the opinion of this House in regard to the propriety of maintaining the present sales tax upon personal wearing apparel and boots and shoes.

In discussing the budget some days ago I went rather thoroughly into the question of the sales tax and on this occasion I do not intend to more than mention the matter. We are all aware that the sales tax which has existed in Canada for the past two years has been a direct tax of five per cent upon many household necessities. Food has largely been exempted since the institution of that tax. The sales tax was originally placed upon commodities because the needs of the treasury were very great at the time because of war expenditures which were piling up, but even at that trying time it was considered proper to exclude food from that tax. As originally imposed, that tax was at the rate of three per cent; the present government, or its predecessors in office, raised the tax to six per cent and then reduced it to five per cent, at which figure it has remained until the present time. Among those necessities of life which are subject to this tax are personal clothing and boots and shoes.

In the budget this year the Minister of Finance (Mr. Robb) proposed to reduce that tax from five per cent to four per cent, an announcement which will be very welcome, of course, throughout Canada. But that four per cent will still be levied upon the clothing and the boots and shoes of the people of this country. I think I am within the opinion of the House when I say it is the general desire of hon. members here that this tax as against these specified articles should be discontinued. From the manner in which this government proposes to go on spending money during the next six months, as evidenced by the estimates which have been going