

That evening I spoke to some of my friends who had supported me in the committee, and I said "Watch out for what happens tomorrow morning, when the committee resumes". To put it in ordinary language, we beat them again. The bill was reported to the house with the amendment that the premium income tax clause be deleted. But, for reasons which I will leave to honourable senators, when the report came to the Senate it was defeated by about four votes. Some of my supporters were absent at the time.

I notice by the bill that the matter of premium income tax is now left, as my honourable friend has said, to the provinces if they wish to make use of it. I am a little afraid they will do so. I see little reason why there should be a tax on premium income. The only reason I can think of for its use—and it is not a very good one—is that it is one more way of getting revenue.

I can only hope that the insurance companies which are affected, and who now will have to deal with the provincial Governments, will find them a little more fair, a little more just and approachable, and that they may not choose to avail themselves of this source of income.

In conclusion, honourable senators, I should like to refer to Schedule III to the bill, which contains a list of foodstuffs exempted from sales tax. This raises a rather favourite subject with me. It may be recalled that two or three years ago I made a motion—and my friend from Toronto (Hon. Mr. Hayden) who has just spoken supported me—that margarine, being a food like butter and many other things named in this schedule, should be exempt from sales tax.

Well, margarine bears sales tax at the rate of 10 per cent. It is somewhat of an anomaly that it does not appear in this list. My feeling is that margarine is not in this list because up to a certain date it was not a commodity that could be legally sold in Canada. I believe that if it could have been legally sold in Canada 25 years ago, or when this list was compiled, it would have been included. However, the Government has refused to add it to the list for a reason which I think is known to almost everyone. How absurd the whole thing is! Looking at the list, one observes that, generally speaking, all foodstuffs are exempted from sales tax. I see in the list barley, bread, butter, eggs and so on; farther down the list some rather strange items appear. I would interject here that one of the objections made against margarine was that it was manufactured from imported vegetable oils.

Hon. Mr. Taylor: Hear, hear.

Hon. Mr. Euler: I would point out to my friend from Norfolk that that list includes peanut butter. Who ever heard of peanuts being produced in Canada? It includes also such items as spaghetti, macaroni and vermicelli, foodstuffs that I do not think are produced in this country.

By the way, a few weeks ago while I was on a motor trip through the province of Quebec I stopped off at the very interesting city of Three Rivers. On the street one day I saw some goods displayed in a store window. I went in and, pointing to a commodity which was very attractively packaged, I said to the clerk, "Is that margarine?" She replied, "Oh, yes, that is margarine". I took a look at it and observed that it was coloured like butter, but the name on it was "Spread". I bought a package of the substance, and it looked and tasted like butter.

I suppose that product was made out of dairy products, but I do not know. I said to the clerk: "Do you not know you are breaking the law? You are not allowed to sell margarine in Quebec." She replied "Oh, we sell quite a lot of it." That product "Spread" does not appear in this list of exemptions from sales tax. I suggest to some of my friends from Quebec that they should bring pressure on behalf of the producers of this product to have it included in the list of exempted foodstuffs.

Here we have exempted a very long list: Alfalfa meal, beet pulp—if there is a more unattractive thing than beet pulp, I would like to know about it—

Hon. Mr. Hugessen: It is dried beet pulp.

Hon. Mr. Euler: That makes the difference, I suppose. The list includes boxes for farm wagons. I have no objection to that particularly.

Then we have sap spouts and sap buckets, and steel pens for farm animals—I did not know farm animals could write, that they require steel pens.

Then there is vermiculite—what in the world that is I do not know. I am just making these references to point out the absurdity of excluding margarine, which is used by almost a majority of the people of Canada, from the benefit of the exemption from sales tax enjoyed by so many other articles.

Hon. John T. Haig: Honourable senators, I want to speak on only one section, the section concerning the magazine tax. I wonder how many members of this house, say over the last five years, have read *Time* magazine. I often wonder how many members have consistently, every week, read *Time* magazine.