

whole Budget, and there should be some relief.

Sir HENRY DRAYTON: He is a very fortunate man who manages to make such a large return upon the sum of \$500,000.

Mr. JACOBS: Not on \$500,000; on a million.

Sir HENRY DRAYTON: No; his own money is only \$500,000.

Mr. JACOBS: The amount invested is a million.

Sir HENRY DRAYTON: Let me say that I do not attempt to defend the business profits tax as a matter of principle. It was an absolute necessity, and after all it afforded one rough and ready way, and a fairly effective way of recovering to the nation exorbitant profits. It would be entirely improper to change that tax this year, when every single thing that could have been passed on to the public has been passed on, and the business has been conducted as it was under the Act which is now in force. So far as next year is concerned, I think that hon. gentlemen will agree that we have gone a long way towards removing the objections that have been raised to the Act.

Mr. JACOBS: Do I understand that the minister promises that next year the statute will be repealed?

Sir HENRY DRAYTON: I never like promising anything which I know I cannot do. I am making no promises, but the taxes of next year, under these proposed resolutions, are on a materially lower plane than the taxes which will be collected this year or those that were collected last year.

Mr. JACOBS: I understand that the minister admits that the system is a rough and ready one.

Mr. LAPOINTE: In reading over the Business Profits Tax Act this morning I notice that there are certain exemptions which will be continued under the new Bill. For instance, all companies or associations, 90 per cent of whose capital is owned by a province or a municipality, are exempt from the provisions of this measure. I think that in certain cases this constitutes a discrimination which is unfair. Take the question of electricity, to which my hon. friend (Mr. Bureau) referred a few moments ago. In the province from which I come the service is performed by privately owned companies. It is not my intention to discuss the merits of public ownership or of private ownership; in my province we are

satisfied with the system that is in force; and as was shown in an article published in Toronto Saturday Night of last week, the consumers of electricity in the city of Montreal who are served by privately owned companies are paying a less price than the consumers in the city of Toronto. What I wish to say is this: The advocates of public ownership generally contend, as one of their main arguments, that no privileges should be granted to anybody. Well, there should be no privileges in this instance. I say that the consumers or the sellers of electricity—in any part of the country whether the enterprise is owned by a province or by a municipality or by private company—should be treated in the same way, and should pay the same taxation to the federal treasury. I have nothing to say against the Hydro-Electric Commission of Ontario—on the contrary, I hope it will be very successful—but I submit that that commission which is selling the same article that is being sold by privately owned companies in Quebec, should be subject to the same taxation as those private companies are subject to. I think that it is only fair and just that it should be so, especially when we recollect the competition that is going on with a view of attracting industries. All sections of the country are inviting industries to come and locate in their respective localities, with the promise of power for their development, and there is no doubt that where exemption from taxation is in force it gives an advantage to that particular section of country. I say that taxation should be the same in all sections of the country; the same article should be taxed in the same way throughout the country, and the consumers of power, or of any other article, should be dealt with in the same way no matter in what part of Canada they may be. Therefore I submit that this exemption should be eliminated from the Bill.

The CHAIRMAN: Shall clause 1 carry?

Mr. BUREAU: No, Mr. Chairman. In my opinion the remarks of my hon. friend from Quebec East are justified. We know that there are two classes of concerns distributing electrical power in Eastern Canada. There is the Hydro-Electric Power Commission, which is owned by the Ontario Government, and in the province of Quebec there are privately owned companies, and the patrons of the latter are supplied with the electricity at a cheaper rate than is the case in Ontario. Now, what do the respective consumers have to put up in con-