

Hon. Mr. FOWLER: Does it not refer to "settlers' effects"?

Hon. Mr. DANDURAND: It strikes out all the words after "settlers' effects".

Hon. Mr. FOWLER: You mean, there is no Sales Tax on confectionery?

Hon. Mr. DANDURAND: There is no sales tax on confectionery. This is a special tax, which was 5 per cent. That is now taken off, and replaced by the regular 6 per cent.

Section 11 was agreed to.

On section 12—schedule II amended:

Hon. Mr. FOWLER: I am interested in that, because in my town we have some large manufacturers of beverages. I would like that explained, if you please.

Hon. Mr. DANDURAND (reading):

Beverages derived wholly or in part from cereals or substitutes therefor; unfermented fruit juices and imitations thereof; carbonated beverages or aerated waters; all other compounded or mixed soft drinks, per gallon.....five cents.

That is struck out and replaced by:

Carbonic acid gas, per pound.....one cent.

Provided that carbonic acid gas manufactured or produced in Canada and used in the manufacture of other products shall be deemed to be carbonic acid gas manufactured or produced in Canada and sold.

Hon. Mr. FOWLER: That is, as I understand it, the manufacturers of beverages such as ginger ale and kindred drinks pay no Sales Tax?

Hon. Mr. DANDURAND: They pay the 6 per cent tax; but there was a special tax that they had to pay, and it is removed pro tanto.

Hon. Mr. FOWLER: Do you charge them on carbonic acid gas?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. FOWLER: That is, what they use of that?

Hon. Mr. DANDURAND: What they use.

Hon. Mr. FOWLER: In addition to the 6 per cent?

Hon. Mr. DANDURAND: When it is sold by the manufacturer.

Hon. Mr. FOWLER: When he sells the gas?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. FOWLER: That would be, for instance, a manufacturer who charged a drug store for the retainers? Is that what it means?

Hon. Mr. DANDURAND: Yes.

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Section 12 was agreed to.

On section 13—when sections 1, 2, and 3 come into force:

Hon. Mr. DANDURAND: That refers to the new stamps.

Section 13 was agreed to.

On section 14—when sections 6(2)b, 11 and 12 come into force:

Hon. Mr. FOWLER: What is the idea in having that come into force on June 1st, when it is being considered now, on June 28th? Is that date, June 1st, the time the Bill was introduced?

Hon. Mr. DANDURAND: The first clause repealed is the one which fixed the maximum stamp tax at \$2. Now that it is being reduced to \$1, the provision which made it \$2 is repealed by section 13. The clauses referred to in section 14 cover the exemptions that were added.

(b) The said paragraph four of subsection one of section nineteen BBB is further amended by adding thereto the following items:

"manuscript; raw furs; wool not further prepared than washed; drain tiles for agricultural purposes."

These exemptions come into force on the 1st day of June, 1923.

Hon. Mr. FOWLER: That is, you have one part coming into force the 1st day of June and the other part coming into force—when?

Hon. Mr. DANDURAND: The stamps come in only on the 1st of October.

Hon. Mr. FOWLER: And something else comes into force in August?

Hon. Mr. DANDURAND: The Sales Tax on the 1st of January.

Hon. Mr. FOWLER: By instalment. Was that to let the public down easily, or what was the purpose?

Hon. Mr. DANDURAND: It is in order to meet new conditions.

Section 14 was agreed to.

On section 15—when section 10 (2) comes into force:

Hon. Mr. DANDURAND: That is the imposition of the Excise stamp instead of postage.

Section 15 was agreed to.

On section 16—when sections 4, 6 except (2)b, 7, 8, 9 and 10 come into force:

Hon. Mr. FOWLER: What is this?