

Right Hon. Sir GEORGE E. FOSTER: With reference to the arrears of the Business Profits Tax, I think.

Hon. Mr. DANDURAND: I know nothing of that. I think my honourable friend refers to a Bill that will be before us this afternoon, extending the period during which the Department will collect arrears on the Income Tax.

Hon. Mr. FOWLER: That provides a very fine means for the introduction of discrimination on the part of the Department. Friends of the Government would be permitted longer delay.

Hon. Mr. DANDURAND: Will my honourable friend kindly wait until that Bill comes before us so that we may discuss it?

Hon. Mr. FOWLER: It has already been spoken of. That is why I refer to it.

Hon. Mr. DANDURAND: But it has been spoken of in error, for it does not relate to this Bill. I do not say the error is on the part of my honourable friend; it is the error of the honourable gentleman who sits to my left (Hon. Mr. Casgrain).

Hon. Mr. FOWLER: Surely the honourable leader would not insinuate that the honourable gentleman who sits to his left could do anything in error.

Hon. Mr. DANDURAND: We on this side do not claim to be the only infallible parliamentarians.

Hon. Mr. FOWLER: But I think the honourable gentleman in question claims infallibility for himself.

Section 6 was agreed to.

On section 7—penalty for neglecting or refusal to pay tax; records, books and accounts to be open to inspection by officers:

Hon. Mr. DANDURAND: I would suggest, honourable gentlemen, that any honourable member who desires a particular explanation on one of these clauses, which we cannot amend, should make an inquiry. But if we continue reading the Bill clause by clause we may never get out of Committee. Of course, questions may be put at any stage. We are in Committee in order that an explanation may be furnished on any particular clause which requires it.

Hon. Mr. FOWLER: I was going to point out to the honourable Minister the difficulty confronting him. We have not had an opportunity to read this particular Bill. If it is too much labour for one Chairman to read the clauses, we can have the Chair occupied by

relays. When we hear the text read we get some sort of glimmering as to what is intended.

Hon. Mr. GORDON: I think that if you will read this over you will conclude that a person might be excused for not knowing exactly where it is intended to apply the tax. In the case of pulp and paper, I understand, the tax would be applied when the paper is sold or shipped. I would like to inquire where the tax will be collected in the case of lumber sales.

Hon. Mr. DANDURAND: When it is sold to a licensed manufacturer there is no tax. It is paid by the manufacturer who transforms the lumber into something else.

Hon. Mr. GORDON: What about the case in which lumber is sold to a wholesaler?

Hon. Mr. DANDURAND: Then it is liable, unless the wholesaler is licensed.

Hon. Mr. GORDON: I do not quite understand that yet. If lumber is sold to a manufacturer, you say, there is no tax; it is not the duty of that lumber manufacturer to collect it; but if the lumber is sold to a wholesaler, there is a tax. Is that the idea?

Hon. Mr. WATSON: If he is not licensed.

Hon. Mr. DANDURAND: Yes, if he is not licensed.

Hon. Mr. GORDON: Surely that cannot be right.

Hon. Mr. WATSON: There is only one tax.

Hon. Mr. GORDON: I know there is only one tax, but I want to know who pays it.

Hon. Mr. FOWLER: Mr. Consumer pays everything.

Hon. Sir JAMES LOUGHEED: Look at subsection 6, page 4, line 47:

Which tax shall be payable by the producer or manufacturer at the time of the sale thereof by him.

Hon. Mr. GORDON: But I am asking where the tax would be applied to lumber, and the reply to that question is that if the mill-man sells lumber to a manufacturer, then he pays no tax.

Right Hon. Sir GEORGE E. FOSTER: The mill-man pays no tax.

Hon. Mr. GORDON: But if he sells it to a wholesaler, then, it is said, the mill-man pays the tax. Is that right?

Right Hon. Sir GEORGE E. FOSTER: Unless as I understand, the wholesaler has a