

price, and it did not pay them to make the tinctures. Perhaps five gallons would be a satisfactory quantity, and that would permit the druggists to continue to manufacture their tinctures and pharmaceutical preparations. I can assure the last speaker that leading druggists throughout all the provinces do a considerable amount of manufacturing at the present time.

Mr. DUNNING: Do I understand my hon. friend to say that he regards a five gallon limitation as satisfactory?

Mr. BARBER: I think that would be all right, at the present price.

Mr. DUNNING: Well, this discussion will ensure that the department concerned will look into the possibility of any hardship as indicated by the hon. member for Kootenay East. It is a matter of regulation with respect to quantities and so forth, and a note will be made of this point.

Mr. DONNELLY: Is the druggist required to apply for a licence?

Mr. DUNNING: Yes.

Mr. DONNELLY: Is there any charge for it?

Mr. DUNNING: Two dollars per annum.

Paragraph agreed to.

4. That paragraphs (d) and (e) of section six of the said schedule, being the duties imposed upon imported leaf tobacco unstemmed and imported leaf tobacco stemmed be repealed.

Mr. BENNETT: May we have a little explanation about this?

Mr. DUNNING: The explanation is that this involves a transfer from the Excise Act to the customs tariff at precisely the same rates, for the reason that it applies entirely to an imported article. From a ministerial point of view it is considered better to have it as a customs item rather than an excise item.

Mr. STEWART: Is provision made in the customs tariff for this?

Mr. DUNNING: Yes. My right hon. friend will remember that there is a provision for preference on certain types of tobacco, such as Rhodesian tobacco of a Turkish type, and that also entails considerations which touch this matter.

Paragraph agreed to.

Paragraph 5 agreed to.

Resolution agreed to.

SPECIAL WAR REVENUE ACT

Resolved, that it is expedient to introduce a measure to amend the Special War Revenue Act, chapter one hundred and seventy-nine of the revised statutes of Canada, 1927, and amendments thereto and to provide:—

1. That part VII of the said act be amended to provide for the taxation of every change of ownership of any participating interest in the operations or profits of any association, company, corporation, fund or trust not divided into shares at the rate of one-tenth of one per cent of the value of every such participating interest so transferred or assigned.

Mr. BENNETT: Does this include devolution by operation of law, that is, either the executor or the administrator?

Mr. DUNNING: It is not designed for that particular purpose. It is designed to tax participating interests.

Mr. BENNETT: I know what it is.

Mr. DUNNING: It will not apply to devolution of estates.

Mr. BENNETT: It usually does not, as a matter of fact. The minister knows it is not customary to impose that tax on transfers by operation of law. There are two forms of transfer, one by act of the parties and the other by operation of law. This, I take it, was originally intended to tax transfers by acts of the parties, not those by operation of law. It usually has been the practice to make an exception in respect of transmissions. I think in the other provisions of the statute transmissions are free from this tax, because they are brought about not by acts of the parties but by operation of law.

Mr. DUNNING: I am advised that there is no change in that respect.

Mr. BENNETT: Will this resolution not make the change? That is what I am pointing out. You see, "every change of ownership" is covered here.

Mr. DUNNING: That is the same phrase which is used elsewhere.

Mr. BENNETT: Is there a general clause covering it all? Undoubtedly there is a clear distinction between the two, and I think there should be a general clause if there is not. I happened to have this matter brought to my attention not long ago by someone who does not live in this country.

Mr. ILSLEY: The section dealing with the sale or transfer of stock is section 58 of the Special War Revenue Act, and it starts with the words:

There shall be imposed, levied and collected upon every change of ownership consequent upon the sale, transfer or assignment of any share of stock of any association, company or corporation—