

*Special War Revenue Act*

Mr. BEAUBIEN: May I give a concrete example? Shortly after the budget was introduced I was in the west. I went to purchase certain goods and I paid 4 per cent sales tax on goods which were exempt before the budget was introduced. I paid that tax to the wholesaler. Will that wholesaler give the money to the treasury, or will he put it in his pocket? Those goods were exempt before the budget was presented and will be exempt after this resolution passes the house.

Mr. BENNETT: I have endeavoured to make clear to my friend the point that it is not intended that any man shall collect money to which he has no right.

Mr. RALSTON: He had a right then.

Mr. BEAUBIEN: He got the money.

Mr. BENNETT: If he got it and has not paid it to the state, he will return it to the consumer or pay it to the state.

Mr. POWER: How will he pay it to the state?

Mr. BENNETT: We can easily provide sections which will meet that difficulty, if there is any doubt about it.

Mr. POWER: A new section will have to be provided.

Mr. BENNETT: I am told there has been no difficulty in actual practice.

Mr. RALSTON: My right hon. friend understands our contention.

Mr. BENNETT: Thoroughly.

Mr. RALSTON: If the exemption is retroactive, 4 per cent cannot be collected.

Mr. BENNETT: The 4 per cent is retroactive.

Mr. RALSTON: I understand the 4 per cent tax went into effect on June 1, and if the exemption is now retroactive the 4 per cent is thereby wiped out in respect of goods exempted.

Mr. BENNETT: Yes.

Mr. RALSTON: Therefore the 4 per cent cannot be collected unless a special section is added.

Mr. BENNETT: I am told that the transactions are very insignificant, in fact are almost infinitesimal. If there is any difficulty a change can be made when the bill is in committee. That is my answer.

Mr. LAPOINTE: And the hon. member for Provencher (Mr. Beaubien) will get his 4 per cent?

Mr. VENIOT: He cannot.

[Mr. Bennett.]

Mr. BENNETT: I say if there is any difficulty on that score it will be met. When Mr. Fielding introduced changes in his budget in 1922 and subsequently, I do not think there was any difficulty. I do not apprehend that there will be any here.

Mr. STEWART (Edmonton): They certainly were not on any such scale as these.

Mr. BENNETT: They are certainly not on any large scale. The payments are made by men having a licence, and having no licence they will not be called upon to make payments under the licence.

Mr. RALSTON: Up to the present time they have collected one twelfth of the total amount which my right hon. friend expected to get from cutting out these exemptions.

Mr. BENNETT: That is not accurate.

Mr. RALSTON: I do not know what my right hon. friend means.

Mr. BENNETT: It certainly does not mean that because it covers a month they have collected a twelfth. You do not get your revenues equally in months.

Mr. RALSTON: I would think you collected more in June.

Mr. BENNETT: You would not think so if you knew the history. I have not the figures beside me of the exact amount, but the truth is that there is a very slight variation between the amount collected last year and this. As a matter of fact in the main I am bound to say they have been less, because in anticipation of an increased sales tax very large quantities of goods apparently were purchased. That is the reason we have fixed a definite date. I have not looked at the record lately, but my memory is that the amount received from the tax during the last thirty days is less than it was for the same period last year.

Mr. RALSTON: I am not speaking of the amount that has been received by the taxing department but of the amount collected by the manufacturer and the wholesaler from the retailer and the consumer, and which has not yet got to the treasury but is to-day in the hands of the manufacturer and the wholesaler. That amount does not get to the taxing authority because the statute under which it was imposed is wiped out so far as the manufacturer and the wholesaler are concerned. I submit that my right hon. friend is wrong in saying that it is infinitesimal, unless the whole amount expected to be collected by the exemptions was very small. I