

469a; materials, not to include plant equipment, consumed in process of manufacture or production which enter directly into the cost of goods enumerated in customs tariff items 453e, 469a."

9. That the bond required under the provisions of subsection seven of section nineteen BBB of the said act to be given by a licensed wholesaler or jobber shall be for an amount not more than fifteen thousand dollars and not less than two thousand dollars.

10. That any enactment founded on paragraph eight of this resolution shall be deemed to have come into force on the twenty-fifth day of March, 1925, and to have applied to all goods imported or taken out of warehouse for consumption on and after that day and to have applied to goods previously imported for which no entry for consumption was made before that day.

11. That any enactment founded on this resolution, excepting paragraph eight thereof, shall come into force on the first day of July, 1925.

On resolution 1:

Mr. STEVENS: What is the effect of resolution number one?

Mr. ROBB: These resolutions are based on the act introduced in 1915, The Special War Revenue Act. It has been brought to the attention of the department that there has been an evasion of the intent of the act and the amendment is to define more clearly what a cheque is so that there shall be equity all along the line. After we have got through with this I shall move an amendment to provide that the stamp tax imposed by The Special War Revenue Act of 1915 on any cheque receipt for money paid by a bank, money order, traveller's cheque, post office money order and postal note, shall not be payable in respect of any of the said instruments if it is for an amount not exceeding \$5. That I think will be some concession to all classes throughout the country.

Mr. CAMPBELL: Could the minister not raise that to \$10? We have a great many protests from dairymen and produce dealers in the west, and personally I have so many resolutions here that it would be impossible to read them all to the House. They come from various representative bodies, such as boards of trade, dairymen's associations, creamery companies, wheat pool organizations, grain growers' associations, farmers' unions and agricultural societies, and it is pointed out that the cheques or bills for produce such as eggs, cream and various other commodities, are for very small amounts, very often for \$2 and \$3. When we remember that the stamp of 2 cents for every \$50 applies only to cheques up to \$2,500, it will be seen that this provision is a direct bonus to those who are handling large amounts. This is a particular hardship on the dairymen and the various produce dealers of the west, because

naturally it all comes out of the producer in the end. I think the minister might raise this amount to \$10.

Mr. ROBB: If my hon. friends were responsible for raising the revenue to meet the fixed charges of the country and our interest on the immense national debt we incurred during the war, as well as to take care of pensions to the soldiers and the widows and children of soldiers, besides carrying on the general affairs of the country and providing for the development of our transportation system, building branch line railways and all that sort of thing; and if, in addition to that, they were attacked by the same people in the country, the delegations that come to interview the government, some wanting public works and others seeking to evade taxation—if hon. gentlemen were faced with such a problem as this they would see how difficult it is to carry on our national business. If we fix a limit of \$10 it will simply mean that the revenue of the country will be seriously eaten into. This I think is a very fair concession. My hon. friend a moment ago referred to the dairy business. I want to say frankly that the government never contemplated that or any other business in particular in framing this legislation.

Mr. MEIGHEN: Could not the hon. member escape the tax by issuing two cheques?

Mr. CAMPBELL: That occurred to my mind, but I prefer to do it in the proper way.

Mr. ROBB: When Sir Thomas White brought in the legislation originally it was thought that it would cover all forms of payments in the way of cheques; but there are men in business who sit up at night trying to devise ways and means of evading taxation, and it has been found in practice that there is considerable business in the country that has escaped. The farmer who sells his grain is not the man who pays the tax on the \$2,500; it is the man who purchases that pays it.

Mr. CAMPBELL: When the farmer ships a car of grain he finds a deduction on his bill for the exact amount of the stamps used on the cheque.

Mr. ROBB: He will not find that in the case of regular grain companies.

Some hon. MEMBERS: Yes.

Mr. ROBB: Then he has recourse under the law, because the law says that the man who issues the cheque must put the stamp on.