

NO STAMP TAX ON BILLS OF LADING

**One-Cent Stamp Added to the
Usual Postage on Letters
Will Be Accepted**

CHAMPAGNE MAY ESCAPE

**Proposed Penalties for Dishonest
Gov't Contractors—
Other Amendments to
Criminal Code**

(Special to The Gazette.)

Ottawa, March 18.—Both resolutions providing for the raising of additional revenue were reported by the Committee of the Whole in the House of Commons today and bills based upon them were introduced. The two measures will be known as the "Custom Tariff War Revenue Act," and the "Special War Revenue Act." The discussion in committee today related entirely to the latter bill which embodies the special taxes proposed by the Government. It was decided to drop the section providing for a stamp duty on bills of lading and Hon. W. T. White agreed to consult the Justice Department as to the right of parliament to impose a stamp tax upon champagne.

Sir Wilfrid Laurier was of the opinion that such an impost would constitute a violation of the terms of the French treaty.

An announcement of general interest was made by the Minister of Finance in regard to the one-cent war tax on letters and postcards. He stated that a special war stamp would not have to be purchased, as an ordinary one cent stamp could be added to the usual postage instead. He also promised to consider the issue of a 3-cent stamp as a matter of convenience in paying the tax.

One bill was read a third time, namely: that which will enable placer miners from the Yukon, now on active service to retain their claims and a bill to amend the criminal code was put through committee of the whole. The latter measure, which had been reported to the House by a special committee included some important sections.

One provides a penalty of two years for any one who assists a person of enemy nationality to leave the country where it cannot be shown that the latter is leaving to aid the enemy which would make the offence an act of treason for the person aiding him. This provides for cases such as the Nerlich case in Toronto.

The clause of the bill based upon Mr. McCraney's bill to deal with persons who sell and without having a good title and who do not use money received in payment in clearing the title was allowed to stand for further consideration in view of the opposition which developed during the sitting of the committee.

RETIREMENT OF JUDGES.

During the question hour General Hughes told Mr. Delisle that 150 motor trucks had been purchased for the second contingent from the Kelly Springfield Motor Truck Company, of Springfield, Ohio. The truck was the Springfield 3½-ton and cost \$2,550, less \$259.32 for tires and tools which are being purchased in Canada. The tires cost \$247 per set; the tool contracts was still under consideration, while the bodies contracted for cost \$168 each, Lieut.-Col. Hurdman, inspector of carriages, had received the trucks.

Hon. C. J. Doherty told Mr. Charles Marcell that applications had been received within the last twelve months for superannuation or retirement from Sir Charles P. Davidson and Justices Cimon, Delorimier and Cook. The resignations had all been accepted, the first three retiring on full pay and the last on two-thirds pay, according to the statute.

SPECIAL TAXES CONSIDERED.

When the House again went into committee of ways and means on the special taxation in the new budget, Sir Wilfrid Laurier asked why the tax on the notes of banks was not made to apply to excess circulation. The Minister of Finance explained the banks were now required to pay 5 per cent. on this excess circulation, and it had appeared to the Government that if the 1 per cent. tax were added to this it might discourage the use of the excess circulation. From the tax of 1 per cent. on loan and trust companies the finance minister said it was expected to realize \$150,000; from the tax on insurance premiums \$350,000. He explained that the marine insurance companies had not been taxed since they were in competition in the ocean and lake-carrying trade with American companies, and it had not been desired to place them at a disadvantage.

Mr. White estimated the revenue from the tax on telegraph and cable messages as something over \$100,000. He discussed a suggestion by Sir Wilfrid Laurier that the tax should be placed upon the telegraph companies instead of their customers and that a tax should be placed upon telephone companies, stating that a tax placed upon such public service corporations would be promptly shifted to their patrons and that it was desirable to keep tolls as low as possible. He thought that the tax upon telegrams and cable messages would fall upon business houses, railway and well-to-do persons able to pay it. He pointed out that there was some doubt whether or not the Dominion Government could tax the provincial 'phone systems of Manitoba, Saskatchewan and Alberta. He would not favor the taxation of co-operative 'phone systems. The minister had concluded that such legislation should be general and should not be aimed at one or two companies.

Mr. Verville, of Maisonneuve, suggested that the charge upon railway tickets should be made upon a percentage basis instead of at a flat rate. He thought that this course would lessen the burden upon the poor persons who made short journeys.

Sir Wilfrid Laurier repeated his opinion that the taxation discriminated against the poor. He pointed out that both the first class traveller and the second class traveller were called upon to pay the same additional charges, and expressed the view that the tax upon parlor car seats and berths in sleeping cars was too small.

The Finance Minister replied that the rich and the commercial men who made frequent journeys would pay the tax oftener than other classes of people. They would thus pay a great deal more than the poor man who travelled less. He would have been pleased to base the tax upon the distance covered, but it had been felt

that such a course might discourage travel and divert traffic from Canadian railways to roads in the United States.

Mr. Verville asked if the tax would fall upon persons who travelled upon passes. In reply Mr. White pointed out that the extra amount could only be exacted from the purchaser of a ticket.

Mr. White said that adhesive inland revenue stamps would be issued to be affixed to bills of exchange, promissory notes and checks. It was possible that the banks might issue checks upon which the stamp was embossed, although he could not speak definitely upon that point. The stamps would be sold at the post-offices and by inland revenue officers.

To Mr. Law, of Yarmouth, the minister stated that the penalty for failure to stamp checks would be on the individual \$50 and on the bank handling the check \$100. He supposed that in practice the bank would affix the stamp and charge the customer for it, in the event of the latter neglecting to do so. Failure to stamp a check would not, however, affect the legality of a transaction.

5-CENT STAMP SUGGESTED.

A discussion followed between Sir

Wilfrid Laurier, Mr. Chas. Marcil, Dr

Pugsley and the finance minister as

to the method of paying the new war

tax on letters and postcards. Sir Wil-

fried stated that inconvenience would

be avoided if a three-cent stamp were

sold by the post-office department in-

stead of a special war stamp. Since

the money collected would go into the

public treasury with other money, why

earmark it as a war tax?

Mr. Marcil suggested that the special

war stamp be printed in French as well

as English, but Sir Wilfrid stated:

"Don't have it in French! It is bad

enough as it is."

The minister of finance stated that

though it was the intention to have

special war stamps issued by the In-

land Revenue Department with a view

to impress the people with the fact

that this was not an addition in the

postal rate but a special tax, the ad-

dition of an ordinary one-cent stamp

to the regular rate of postage would

be recognized by the Post-office De-

partment as sufficient. He promised

to consider Sir Wilfrid's argument for

issue of a three-cent stamp.

Mr. White then moved that the sec-

tion providing for a two-cent tax on

bills of lading be dropped. He stated

that on looking into the matter he had

found that there was an enormous

number of small packages of every

kind sent as freight in regard to

which a tax would entail a great deal

of public inconvenience. It would also

be difficult to have the tax enforced

on provincially-owned railways.

In connection with the section deal-

ing with the taxation of patent medi-

cines, etc., Mr. White explained that

from proprietary remedies it was ex-

pected to raise \$275,000 by tax; from

perfumery and cosmetics, etc., \$225,-

000; from non-sparkling wines, \$180,-

000, and from sparkling wines, \$260,000.

Dr. Schaffner, of Sour's, pointed out

that what were once called patent

medicines were now kept by druggists

in large quantities and prescribed by

doctors as prescriptions. He asked

whether a doctor or druggist who

bought such medicines in large quan-

tities would be a consumer and there-

fore liable to the tax. The finance

minister considered that he would if

the medicine were a proprietary one.

Mr. Pugsley was of the opinion that

the plan whereby stamps were to be

affixed to wine bottles when sold by

the retailers was intended to avoid

violation of the French treaty.

In this Mr. White did not concur. He

said that unnecessary would be en-

tailed if the cases of wine were opened

while in the custody of the customs

officers and the stamps then affixed.

The minister was of opinion that if

the Canadian Government did not in-

crease the customs duties it was free

to levy on goods mentioned in the

French treaty, an excise duty not ex-

ceeding that levied upon like Canadian

goods.

TAX ON CHAMPAGNE.

Sir Wilfrid Laurier was of the opinion that the Government could tax still wines but could not tax champagne without violating the terms of the French treaty. Champagne was a French wine, the like of which was not produced in Canada. It did not come into competition with a Canadian wine and therefore should not be subject to an additional tax. Sir Wilfrid urged that the French treaty be construed liberally and that in case of doubt the benefit be given the French product.

The Finance Minister said that those who could afford to buy champagne could afford to pay the additional tax. He was not inclined to concur in Sir Wilfrid's interpretation of the French treaty. He promised to obtain the opinion of the Justice Department on the question whether or not the tax on champagne would constitute a violation of the treaty. If the department thought it did he would ask the Government to consider the advisability of modifying the proposed legislation.

To Mr. Germain, Mr. White said that the person who imported wine for his own use would not escape the tax. The customs department would decide whether he was a consumer or an importer. If it decided that he was a consumer he would have to pay the tax before taking the goods out of the customs warehouse.

The Finance Minister observed that there were a number of articles of luxury which he would have taxed had it not been for the terms of the French treaty.

Thereupon Mr. Pugsley suggested that a number of articles which were used by the wealthier classes and which he thought might be taxed when they came from countries other than France or French possessions. He mentioned anchovies, sardines, other fish packed in oil, embroidery, laces, lace collarettes, silk velvets, velvet ribbons, silk fabrics.

Ald. Lapointe, of Montreal, rose at this juncture to put himself on record as representing his own division in Montreal, against the imposition of taxes unnecessary as well as vexatious at a time like this when economy was so necessary.

The two tariff bills, one of which will be entitled the Customs Tariff Revenue Act and the other the Special War Revenue Act, were then given first reading.

The Yukon Placer Mine Act, which will enable owners absent on active service to hold their claims was given third reading without discussion.

CRIMINAL CODE AMENDMENT.

The House then went into committee on a bill introduced by the Minister of Justice to amend the Criminal Code. The bill, which has been reported by a special committee appointed to consider a bill introduced by Mr. G. E. McCraney, of Saskatoon, and another by Mr. Sinclair, of Guysboro, as well as a suggestion in regard to copyright in Canada by Hon. Rodolphe Lemieux, also deals with cases analagous to the Nerlich case in Toronto.

The Minister of Justice explained in this connection that while it is now forbidden for alien enemies in Canada to leave it, the law provides no penalty for those who assist such people to leave where it cannot be shown that their departure was with a view to aiding the enemy, and thus a treasonable act.

The Minister of Justice also stat-

ed that the bill provided that where any person selling land to which he has only partial title does not apply moneys received from the new purchaser to making good his own title, he is guilty of an indictable offence, and liable to three years' imprisonment, unless he has lawful excuse for his action.

MET WITH OBJECTION.

This met with considerable objection. Hon. Wm. Pugsley thought it went dangerously far. A land company sub-dividing and selling land under encumbrance always retained enough money to make good the title when the vendor paid up, but if for any such reason as the failure of a bank it was unable to do so, its directors would be liable to criminal prosecution.

The Minister of Justice said this would undoubtedly be a case wherein there was lawful excuse. He stated the bill was designed to meet cases very common in the west and in the neighborhood of large cities in the east where a person obtaining land under option or promise of sale or subject to encumbrance, subdivided and sold the lots, the purchasers, after completing their monthly payments, finding themselves unable to obtain clear title. Servant girls were the most frequent victims of such frauds.

Mr. Green, of Kootenay, and Mr. Barnard, of Victoria, opposed the measure as likely to do away with the dealing in agreements of sale, and Mr. E. M. Macdonald objected that it would lead to blackmailing in cases where forgotten encumbrances on land were dug up after sale.

Mr. G. E. McCraney, the originator of the bill, however, explained that the provincial law imposed no penalties which would act as a deterrent in cases as referred to in the bill.

Hon. Mr. Doherty finally agreed the provision should stand for further consideration. It was consequently struck out of the bill with the understanding that if desirable it could be dealt with in another bill this session.

FRAUDULENT CONTRACTORS.

No opposition met the section providing that any person is guilty of an indictable offence and liable to imprisonment for two years, or a fine not exceeding \$5,000 or to both fine and imprisonment who knowingly sells defective military or naval stores to the Government of Canada or of any other British dominion, or who commits any fraud on the Government in connection with the sale of such stores. The section is a sweeping one, since it provides that if such a fraud is committed by a corporate body every director, officer, agent and employee who has been a party to the offence or has suspected that it has been committed without reporting that fact shall be liable to the penalties. Moreover, persons convicted under the section are declared incapable of making further contracts with the Government. The Minister of Justice said that the proposal went far, since it made it a crime to sell defective goods to the Government. It might be argued that these goods were bought in a hurry, and that it might not be possible to exercise the same care as in the case of other stores.

However, Mr. Doherty thought there were some good reasons for giving some special protection in the case of such Government contracts.

COPYRIGHT LAW.

Two sections dealt with the subject of copyrights of dramatic, operatic and musical works. One provided that persons responsible for the performance in public and for profit the whole or part of any such composition, without the written consent of the owner of the copyright, shall be liable to a fine of \$250, and for a second offence to a fine and two months' imprisonment. The second section declares that anyone who changes the name of such a work or suppresses the title or makes any alteration in the work itself without written consent, in order that it may be performed, is liable to a fine of \$500, and for a second offence to such fine and four months' imprisonment.

Mr. Doherty explained that there had been cases in which irresponsible persons had infringed copyrights and made some money and it had been found impossible for the owner of the copyright to obtain compensation through the civil courts.

A section makes it possible to inflict upon inmates of houses of ill-fame a fine of \$100 and costs and in default of payment a term of imprisonment not exceeding twelve months. The Minister of Justice said that while the clause seemed severe it was being introduced in order to make it possible for magistrates to send young girls convicted of the offence to institutions for a long enough period to bring about their reformation.

The clause dealing with real estate transactions having been struck out, the bill was reported by the committee and the House went into committee of supply on the estimates of the Minister of Agriculture.

Mr. Tobin, of Richmond and Wolfe, while the agricultural department estimates were under consideration, suggested that seed grain be supplied at cost to Cleveland township farmers whose crops had been destroyed by hail.

Hon. Dr. Reid pointed out that in such cases in Ontario the provincial government was rendering assistance.

The House then adjourned at 12.30.