

Hon. Mr. John T. Hackett: Honourable senators, so that the honourable gentleman from Churchill (Hon. Mr. Crerar) may not feel too lonely in his excursion into the unknown, I shall be pleased to accompany him, if there is an opportunity to vote. But my reasons for supporting the committee amendment are not entirely his.

We find ourselves at a time in our national growth and life when taxation is necessary, and I think most of us appreciate the difficulty of administering that part of the Government business. I for one would like to leave a little discretion to the honesty, good heart good feeling and decency of the people who are entrusted with the administration; and I am reluctant to make taxation in itself so hateful that it becomes in effect like a law known as the Volstead Act, which was passed in a country not far from us. However, I must say that the decision in respect to it has enured to our benefit. It so incensed the people of that country, its persecutions and its prosecutions brought so much ill will, that in the fullness of time, and the fullness of the purse of that neighbouring country, it had to be written off.

We cannot afford to belittle our taxing acts by writing into them patricular incidents and opportunities like this.

Some years ago, just before the last war, I was in Austria. When something was said by one of my companions to some Austrian people about Hitler, the answer was that their worry was not Hitler so much as it was all the little Hitlers who made life unbearable.

We do not want to make our legislation, which is so essential, and on the whole so fair, difficult of administration because of something that denies the flow of the milk of human kindness.

I notice that some honourable gentlemen opposite feel that legislation must be very definite and that every detail must be nailed down. I do not share that view entirely. Those of us who are lawyers know that good judges administer the law wisely. As one honourable senator has said, if the law is not going to be made more specific by adding this paragraph, why add it? It certainly would make the law more objectionable to many people, and without purpose.

Hon. John J. Kinley: Honourable senators, I am a member of the committee which considered this bill, and I voted for the amendment in the committee. I think it passed by a vote of 12 to 5. That being so, and with a small attendance in the house this afternoon, it seems to me to be a bit extraordinary to try to upset the work of that committee now.

I am in favour of the committee's amendment because I think the new words in the bill as presented to us are too inclusive. I regard that part of the bill as an invasion of the liberty of the subject and as something that would create ill will in this country.

I have never had any difficulty with income tax inspectors in my plant. For many years at Christmas time we gave our employees turkeys; and later we received a ruling from the inspector that we could give our employees a present of \$25 without treating it as income received by them. From that I concluded that inspectors had some discretion. Now it appears that the discretion is to be removed, because under the amendment, "benefits of any kind whatsoever" would be taxable.

My honourable friend from Inkerman (Hon. Mr. Hugessen), whose opinions we all respect, said that the words are worth nothing. Well, if they are worth nothing they should not be there. But if they are important enough to cause a difference of opinion between two judges, we as laymen must make our decision accordingly. He referred to the practice of stores giving their employees a discount on goods that they buy there, and said that the value of such goods would have to be added to their taxable income. I would like to point out that the allowing of discounts to employees is an old established custom in every well managed store. The practice applies also to other lines of business. If you do something which stops that practice in Canada a lot of people will think that the laws of this country are too exacting and that the liberty of the subject is being invaded.

This morning I was talking to my wife over the telephone, and she told me that we had received an invitation to be present next week at the wedding of an employee in our plant. He is an important employee and we will naturally give him a wedding present. Now under this proposed amendment to the act I would have to add the value of that present to his income, for tax purposes. It seems to me an extraordinary thing to have to do.

I would like to point out another situation that will cause some ill feeling. On occasions our men go to Halifax to work. The scale of wages in the country is a little lower than in Halifax, and I have had complaints from the union that our men were working at a lower rate of pay than was being paid for similar work in that city. We notified the union that in addition to paying their wages we pay their board and lodging, and if the two items were added together the compensation would be higher than the pay in the