

INCOME TAX

INQUIRY AS TO EXEMPTION OF DONATIONS TO
MEMORIAL FUNDS AND ARENAS

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): I should like to direct a question to the Minister of Finance. Has any consideration been given to allowing exemption from income tax for donations to memorial funds and arenas in the different towns and cities across the country?

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, this is a question of law. Under the Income Tax Act as it stands, donations for charitable purposes are exempt from income tax. The question as to what is or is not a charitable donation has been determined by a long line of cases and I think it is pretty well known. I understand that there have been some administrative directions that contributions to purely local undertakings which might qualify as charitable undertakings would not be allowed. That was discussed by officials of the department of my colleague, the Minister of National Revenue, and myself, and it was decided that charitable donations include donations to undertakings which may be of a purely local character. Whether an individual memorial hall is eligible or not I am not going to say here; but I do say that donations of that kind can be, and in a good many cases would be, proper donations for charitable purposes and as such deductible for income tax purposes.

FISHERIES

PROHIBITION OF EXPORT OF FISH LIVERS

On the orders of the day:

Hon. J. A. MacKINNON (Minister of Fisheries): The hon. member for Skeena (Mr. Archibald) and other hon. members asked questions on Monday last about the prohibition of export of fish livers. The hon. member for Vancouver East (Mr. MacInnis) also addressed a question to me.

As I indicated, the Department of Fisheries is not the department directly responsible for the orders in council in this matter. The Department of Trade and Commerce advised fisheries that the oils and fats administrator, following conversations and representations between officials of the Department of Fisheries and the wartime prices and trade board, had recommended that export permits be granted freely on vitamin oils. Strong representations had been made to the administrator for some

time by the west coast industry—both the co-operatives and the processors—favouring the removal of export permit control on oils. It was pointed out to Fisheries that this action would discriminate against fishermen unless export permits were granted also for unprocessed livers. If export permits were denied for raw livers, the fishermen would not gain entry to the high-priced United States market as would the processors for the vitamin oils.

In considering this matter it should be noted that the United States rate of duty on vitamin oils is relatively low compared to duties on, say, canned salmon—halibut liver oil, 10 per cent; cod liver oil, free; soupfin shark and dogfish liver, 5 per cent plus one cent per pound. It appeared to us, therefore, that the processors should be able to meet United States competition for the unprocessed livers and to pay Canadian fishermen competitive prices for the raw livers. Accordingly, in the interests of the industry as a whole, this department recommended that if vitamin oils were to be exported freely, the raw material should be treated likewise. Therefore, the oils administrator agreeing, the Department of Trade and Commerce, through its representative at Vancouver, informed the industry "that export permits for fish liver may be freely granted until further notice."

Although permits have been issued freely, controls are still in effect on these products, and if this step recently taken is demonstrated to be having a detrimental effect upon the industry, the whole matter can be reconsidered.

NATIONAL HOUSING

AMENDMENT WITH RESPECT TO POWERS OF
APPROVED LENDING INSTITUTIONS, ETC.

The house resumed from Monday, May 12, consideration of the motion of Mr. Howe for the second reading of Bill No. 280, to amend the National Housing Act, 1944.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, when I was speaking the other day I tried to indicate that legislation which the Minister of Trade and Commerce (Mr. Howe) is now sponsoring in the house is quite inadequate, taking into account the housing needs of the Canadian people, our material and human resources. I should like to support my views by referring to opinions which have come from quite a wide variety of individuals and organizations.

In the first place I should like to mention the Engineering and Contractor Record for February, 1948. This record contains a