

Hon. Mr. HAIG: Let me say that I think the Income War Tax Act is now and always has been very ably administered.

Hon. Mr. HUGESSEN: Hear, hear.

Hon. Mr. HAIG: That is true not only with respect to the head office at Ottawa, but in general, so far as I know. The administration in the Winnipeg office has always been very efficient, and especially under the present head out there. His only fault is that he has invariably voted Liberal. Aside from that, he is a perfect official.

Hon. Mr. DANDURAND: Because of that.

Hon. Mr. HAIG: I think the Government should be asked to bring in an amendment allowing members of Parliament to claim exemption for actual sessional expenses. As I say, the matter is a very serious one for those of us who come to Ottawa from a distance. We live here several months every year, and all the time we are maintaining our homes elsewhere. I would suggest that the Commissioner of Income Tax be called before the Banking and Commerce Committee and asked why the exemption is not allowed.

Hon. Mr. BALLANTYNE: The honourable member, I suppose, means the Minister of National Revenue, not the Commissioner of Income Tax.

Hon. Mr. HAIG: Let us call them both.

Hon. Mr. BALLANTYNE: The Commissioner would simply say that he had nothing to do with matters of that kind.

Hon. Mr. ASELTINE: Honourable senators, my honourable friend from Winnipeg South-Centre (Hon. Mr. Haig) has raised an interesting point. One year, I think it was just after the first session I attended here, when making out my provincial income tax return I deducted what I considered a reasonable amount for my expenses incurred while at Ottawa. I did so under a certain section of the provincial Act which I thought was wide enough to protect me, that section providing that when a person is away from home on business the amount expended on the business trip may be deducted from income. In filling out my return to the Federal Government later on I made the same deduction. Two years went by without any word from the department, and I thought I had "put something over." But one day a letter came along by registered mail, stating that I was short a certain amount in my income tax payment, and giving me a certain time in which to remit the shortage, plus penalties.

I think the suggestion of the honourable senator from Winnipeg South-Centre is worth

considering. If we were allowed to deduct from income the amount we are forced to spend here while attending the session, it would be at least some help. I think an amendment permitting that exemption would be a just one.

The motion was agreed to, and the Bill was read the second time.

REFERRED TO COMMITTEE

Hon. Mr. DANDURAND moved that the Bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

EXCISE BILL

SECOND READING

Hon. RAOUL DANDURAND moved the second reading of Bill 143, an Act to amend The Excise Act, 1934.

He said: Honourable senators, this is a brief Bill. It provides:

Paragraph (c) of section one of the Schedule to The Excise Act, 1934, chapter fifty-two of the statutes of 1934, as enacted by section one of chapter thirty-seven of the statutes of 1936, is repealed and the following substituted therefor:—

"(c) On every gallon of the strength of proof used in any bonded manufactory in the production of vinegar, sixty cents, and so in proportion for any greater or less strength than the strength of proof and for any less quantity than a gallon."

The paragraph to be repealed reads as follows:

On every gallon of the strength of proof used in any bonded manufactory in the production of vinegar, twenty-seven cents, and so in proportion for any greater or less strength than the strength of proof and for any less quantity than a gallon.

The latest figures from the Bureau of Statistics in regard to the production of vinegar in Canada are for 1937, but they will give some indication of the position. During that year the production of spirit vinegar amounted to 3,718,000 gallons; of cider vinegar, to 1,166,000 gallons, and of malt vinegar, to 221,000 gallons.

The object of this amendment is to create a larger market for apples of the type that can be used for the production of cider required in the manufacture of vinegar. The amendment was endorsed by Mr. Stirling, an honourable member who represents the British Columbia fruit district in another place. He commended the Minister for bringing down a larger tax, which he said would benefit the apple growers of Canada.

The motion was agreed to, and the Bill was read the second time.