

Income War Tax Act

accept evidence to prove the existence of a condition such as I have described as of that particular date. Accept some evidence that the condition existed, in addition to the evidence that you are already willing to take, namely the registration of the mortgage itself.

Mr. BENICE: Would the execution date not be the correct date?

Mr. MAYBANK: The execution date of any document which established the existence of that condition; that is, the fact that the man committed himself, or any evidence which would definitely show that a man had entered into an arrangement such as I have described.

There is only one other point I should like to mention, and that is a minor matter with regard to insurance premiums. Take the case of a man whose insurance falls due in March. A great many men do not pay promptly, nor do they arrange any loans to take care of the premium. They just let it run for two or three months. Almost always their policies contain extended insurance clauses, or whatever they may be called, under which the policies carry on automatically. Then let us say that in June the individual makes the payment that was due in March. His receipt will not show that he paid the premium; it will show that he repaid a loan. If a man repays a loan on his policy, I do not know whether it is intended that this shall be treated as though it were a refundable payment. If it is, all right; but if it is not, I wish to draw to the minister's attention the fact that many people pay their premiums a little late. They do not make any arrangement for loans when the premiums fall due; they just let it ride, knowing the policies to be all right by reason of the deferred payment provisions. But when they pay the premium they do not get a receipt showing payment of the premium itself; the receipt shows repayment of a loan, because automatically, in the bookkeeping of the company, when the premium was not paid on the due date it became a loan, though no special action was taken by the policyholder to obtain that loan. I submit that in such instances these payments should be treated as payments of premiums, which would relieve the individual of the payment of tax on that portion of the refundable deposit.

I think these are the only questions I had in mind. I thought it well to place these various matters on record at the one time rather than speak three or four times during this discussion.

Mr. NOSEWORTHY: Mr. Chairman, when I was called out of bed by a newspaper man at one o'clock on the morning following the

[Mr. Maybank.]

introduction of the budget, I unwittingly made the remark that this budget came as close to being a Cooperative Commonwealth Federation budget as anything we could expect from a Liberal government. I think I must have been still asleep when I made that statement, for nothing I have said since coming to Ottawa has brought me so much grief. However, since then I have had an opportunity over two week-ends of discussing the budget with a considerable number of people, with a wide range of incomes, and I am still satisfied that there are several very commendable features in this budget. I am amazed at the spirit of cooperation and stoicism with which the people to whom I have spoken accept this budget. I have heard complaints from very few. Those with whom I have discussed the budget have taken the attitude that we are in this war, that we must win it at any cost, and that we are fortunate if these are the greatest demands that are to be made of us in order to win the war.

I want to commend the minister for the compulsory saving feature, which I think has met with general approbation throughout the country, particularly in view of the deductions which are made possible. There are one or two matters on which, if possible, I would like the minister to give the committee some information. In connection with the deduction that is allowed in regard to repayments of principal under mortgages, it has been called to my attention that a great many people had entered into agreements prior to the date fixed in the regulations, but that these mortgages were not officially registered. I have been asked whether payments made on such mortgages may be deducted. In connection with the returnable portion, or the compulsory saving feature, I have been asked when the deductions that are to be made with regard to insurance, superannuation and so forth, are to be collected. The general impression seems to be that one-third of those amounts will be collected at the source. I have had letters from people complaining that if this portion of their savings is deducted at the source, they are going to be placed in financial difficulties, so that they will be unable to meet their payments. I think there has been a great deal of public confusion over this point, and a public statement should be made at once.

I want to compliment the minister upon fixing a maximum for the returnable compulsory savings part of the tax. I think that maximum might very well have been fixed at \$500 instead of \$1,000. According to my calculation, a man will need to be in the position of having an income of \$10,000 a year before