

gations of the country with the rest of the people. I think Parliament will only be interpreting the view of the country if we put through legislation compelling the judges to pay their fair share of taxation.

Mr. FIELDING: I took part in the discussion of this question last year and my view was emphatically in accordance with that which the Minister of Finance now presents. I am therefore not able to agree with the leader of the Opposition. I think if a vote had been taken in the House last year there would have been no difficulty in carrying a motion to abolish the exemption from taxation of the judges, but some good Conservatives like the hon. member for Kingston and myself paid due regard to vested rights and said: "A bargain is a bargain, and must be kept." I would suggest one way of removing the inequality, which perhaps will satisfy the leader of the Opposition. There is a movement, which may or may not take effect this session, to provide an increase in salary for the judges. If that matures, I would suggest that a condition should be made that on any increase in salary being granted, all the judges shall be subject to the income tax without any exception.

At six o'clock the Committee took recess.

After Recess.

The Committee resumed at eight o'clock.

Mr. JACOBS: Mr. Chairman, now that the question of judges and the taxation of their incomes under the new resolution is being discussed, I think it is not inappropriate that I should make a personal statement. When the Judges' Amendment Act was before the Committee of the House on May 30 I had occasion to make some observations and I brought to the attention of the committee the fact that certain judges in Quebec, in my opinion, held cases pleaded before them, too long under advisement. I said that within the last few years there had been appointed to the bench some judges who I thought delayed their decisions too long. Hansard has me reported as saying "five" judges instead of "some" judges, and as a result I understand that five of the most recently appointed gentlemen have taken this to mean that my remarks were intended to apply to them. These judges are: Justices Allard, Tellier, Duclos, DeLorimier and Loranger. I wish to say that I did not have in mind any of these gentlemen. They are expeditious in the handling of their cases and in deliver-

[Mr. Robb.]

ing judgments as those who practise before our courts know quite well. What I should have done, was to ask for an Order of the House for a return showing what judges have had cases before them for two years and upwards without delivering judgments thereon, and when the return was brought down discussion could have been had. I have made the necessary correction in revised Hansard and have written to express my regret to the complaining judges. My object in rising on this occasion is that this explanation may be given the same publicity as my remarks on May 30.

2. That the exemptions and deductions allowed from taxable income by paragraph (a) of subsection one of section three of The Income War Tax Act, 1917, be amended to provide for such reasonable allowance as may be granted by the minister, in his absolute discretion for depreciation; by striking out the exemption for any expenditure of a capital nature for renewals or for the development of a business; and by adding the provision that the minister when determining the income derived from timber limits shall make an allowance for their exhaustion.

Sir THOMAS WHITE: In estimating the net income of a business it is proper to deduct a reasonable amount for depreciation. Under existing legislation depreciation is a question of fact and I need not suggest to the committee that a great number of parties subject to assessment are exceedingly desirous of wiping off as large a sum as possible for depreciation. It is very desirable that regulations should be made, having regard to various classes of business, providing for scales of depreciation so that all may be dealt with, as far as possible, on the same basis. I need not say that the department will act in no arbitrary or high handed manner. Our administration, I think, can be trusted to allow a reasonable amount of depreciation, but we have found that advantage is sought to be taken of the provisions of the Act and demands are made for an unreasonable amount of depreciation, with the result that the net income is reduced below the figure at which the assessment should be made.

The second part of the section, the question of renewals and the amount of expenditure for development of business, under existing legislation, lends itself as in the other case, to demands that are in many cases unreasonable. We propose, therefore, to strike out the provision permitting a certain amount to be set aside for renewals and development of business. Men's ideas as to the amount of earnings which should be kept back for development or renewal vary greatly. In sound income tax legisla-