

have had some correspondence with individual members of the commercial travellers' association who have pointed out to me that they pay to the association a yearly fee, contingent upon the payment of which their insurance is protected. They have made application to have such payments treated just as insurance premiums paid to insurance companies are now treated under the act.

Would the minister make a statement on the three points I have raised?

Mr. ILSLEY: On the first point about merchant seamen, notice was given in *Voices and Proceedings* of April 6 of a resolution I shall propose exempting from taxation the war risk bonus and the value of any board and lodging on shipboard received by such a person while performing services in respect of which war risk bonus is payable. That must have been where the Canadian Broadcasting Corporation and the press got the item. That matter can be dealt with when the resolution comes up.

The second point my hon. friend raised was with respect to income taxpayers in New Brunswick. Whether they are permitted to vote or not is a matter purely for the New Brunswick authorities. The voting privilege at municipal or provincial elections is something over which we have no control. This parliament has nothing to do with it.

Mr. GILLIS: It was because the federal government entered the income tax field of the provinces that these people are disfranchised.

Mr. ILSLEY: I do not know whether they are disfranchised or not, but if they are—

Mr. GILLIS: I have letters to that effect.

Mr. ILSLEY: —we did not disfranchise them. We could not disfranchise them.

Mr. GILLIS: Indirectly you did.

Mr. ILSLEY: The third point was about commercial travellers. I do not know the type of insurance policy to which the hon. gentleman has reference, but I suppose that the desire of the commercial travellers is to have the premiums they pay on some form of insurance policy permitted as an offset, to be counted in the compulsory savings portion of the tax. The premiums may not be on life insurance policies.

Mr. GILLIS: I think it is accident policies.

Mr. ILSLEY: We cannot permit that. The matter was fully debated last year. It is not covered by our legislation and I do not propose to extend the legislation to cover it.

Mr. MARTIN: Mr. Chairman, the point made by the hon. member for York-Sunbury deserves, I think, more than scant attention. On the whole, it deserves some support, and I propose to give it. The form in question, T.7-B, contains this sentence in black-face type near the bottom of the page, "interest is payable in respect of late or insufficient payments." The Minister of Finance and the hon. member for York-Sunbury have argued as to whether interest is a penalty. The hon. member for York-Sunbury has proceeded on the assumption that in addition to the payment of interest there is also a penalty payment. That apparently is not true. But the hon. member for York-Sunbury is right to this extent, that the payment of interest on both late and insufficient payments operates as a penalty. So that the principle of his objection still remains.

What is the situation? Interest is payable on late payments, and I do not think the committee could quarrel with that. If a man fails to make a twenty per cent payment on March 31, I think properly there should be an interest charge for his non-compliance with the law in that respect. But when it comes to charging interest on insufficient payments, it seems to me that there is the strongest possible case for not charging interest when a man is unable to determine what his income for 1943 will be. The minister has said: Oh, well, if we did not do this, individuals would take advantage of the situation, deliberately underestimate their tax payment, and pay possibly only a nominal amount on March 31.

Mr. McNEVIN: Has the taxpayer not had the use of the money?

Mr. HANSON (York-Sunbury): He has not earned it all yet.

Mr. MARTIN: I do not quite appreciate how that has anything to do with what I am trying to say. Perhaps when I have finished the hon. member will reconsider his question. Here is the situation. Here is a payment required not under any statutory provision because the statute has not yet been passed. There is required a quarterly payment of twenty per cent of the income tax which the individual will have to pay on his income for the full year. That income cannot possibly be determined now. As I mentioned a minute ago, the minister has said: If the observation of the hon. member for York-Sunbury were to be sustained, people would take advantage of the situation and deliberately underestimate their income, and that would not be a fair and proper