

Hon. Mr. McRAE: I should think it would be obvious that the Government might be expected to revamp the return for 1941 so that our income tax would apply to the exemption allowed on the tax already paid in the United States. Canadian taxpayers, when they get a refund on the 27½ per cent deduction made in the United States, will be so much ahead, unless the Government of Canada collects a percentage as tax on that refund.

Hon. Mr. BALLANTYNE: I should like to get that statement direct from the Minister.

Hon. Mr. KING: I think that is the understanding. However, I am only giving notice of motion now, and the point raised by my honourable friend opposite will be open for discussion to-morrow. The benefit which the individual receives in the refund from the American corporation will undoubtedly be taxable when it appears in his 1941 or 1942 tax return.

Hon. Mr. BALLANTYNE: I do not want to rise too often, but that explanation is not clear enough for me.

Hon. Mr. KING: That is the information given me.

Hon. Mr. COPP: There is only a notice of motion now before the House. The time for discussion will come to-morrow.

Hon. Mr. McRAE: I think if the honourable leader of the House would ascertain from the Treasury Department how the refund will be dealt with, the explanation could be given to the Senate to-morrow, and there would be no disappointment throughout the country.

Hon. Mr. KING: I think the Minister cleared up the matter in the other House.

DIVORCE BILL

SECOND READING

On the Order:

Second Reading Bill P3, an Act for the relief of Leah May Jarvis Traver.

Hon. C. W. ROBINSON: Honourable senators, this motion was allowed to stand over for the convenience of an honourable senator. He is not in his seat to-night, and I do not know whether it is desirable to let the motion stand over again.

Hon. Mr. HARDY: No.

Hon. Mr. ROBINSON: I think it is up to the honourable senator to be ready to discuss the motion. I move second reading of the Bill.

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

Hon. Mr. BALLANTYNE.

BUSINESS OF THE SENATE

Hon. Mr. KING: Honourable senators, it is disappointing to find there is no other business on the Order Paper. We had hoped to deal with a number of bills to-night, but unfortunately there has been delay in another place. However, I believe legislation will reach us to-morrow. I move that the Senate do now adjourn.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Wednesday, June 10, 1942.

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

WAR APPROPRIATION BILL NO. 2

FIRST READING

A message was received from the House of Commons with Bill 95, an Act for granting to His Majesty aid for national defence and security.

The Bill was read the first time.

LOAN BILL

FIRST READING

A message was received from the House of Commons with Bill 96, an Act to authorize the raising, by way of loan, of certain sums of money for the Public Service.

The Bill was read the first time.

CANADA EVIDENCE BILL

THIRD READING

Hon. Mr. KING moved the third reading of Bill 66, an Act to amend the Canada Evidence Act.

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

INCOME TAX CONVENTION BETWEEN CANADA AND UNITED STATES

RESOLUTION OF APPROVAL

Hon. J. H. KING moved:

That it is expedient that the Houses of Parliament do approve of the convention and protocol entered into at Washington on the 4th day of March, 1942, by the Government of Canada and the Government of United States of America concerning rates of income tax upon non-resident individuals and corporations, the avoidance of double taxation, the prevention of fiscal evasion in the case of income tax, and the exchange of certain fiscal information, and that this House do approve of the same.