

*Inquiries of the Ministry*

views set out in the Canadian aide memoire were communicated to all appropriate United States government authorities.

In response to the second part of the question no facts have developed since that aide memoire was submitted and the views of the Canadian government were fully made known to the United States in the aide-memoire.

The hon. gentleman's question contains these words, "impose income taxes on a purely Canadian company". Of course we have to realize that it is not as a Canadian company that these proceedings have been instituted against that assumed taxpayer, but the attempt to assess and collect taxes from that taxpayer is because of the assertion that it has a permanent establishment in the United States.

REQUEST FOR CLARIFICATION OF GOVERNMENT  
ANNUITY EXEMPTION

On the orders of the day:

**Mr. G. K. Fraser (Peterborough):** Mr. Speaker, I should like to address a question to the Minister of Finance. I would like to ask if payments to the Department of Labour annuities branch upon annuities issued by that office will qualify for deduction under the proposed amendment to the Income Tax Act? I should also like to know, if they will not, will the Department of Labour annuities branch issue annuities payments of which will qualify for deduction?

**Hon. W. E. Harris (Minister of Finance):** Yes, Mr. Speaker, it was my understanding in the meeting we held prior to the budgetary announcement that the annuities would of course comply with the provisions, unless there is some most unusual provision in the annuities themselves; and I doubt that very much because the intention was that the annuities should qualify.

**Mr. Fraser (Peterborough):** Another question I should like to ask is this. If they do qualify will consideration be given to raising the maximum monthly annuity to amounts in excess of \$100?

**Hon. Milton F. Gregg (Minister of Labour):** Not this session, Mr. Speaker.

HEALTH AND WELFARE

SOCIAL SECURITY—INQUIRY AS TO NEW  
INCOME CEILINGS

On the orders of the day:

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, may I direct a question to my hon. friend the Minister of National Health and Welfare. By what amount will the income ceilings of recipients of old age assistance, the blind persons' allowance and [Mr. St. Laurent (Quebec East).]

the disabled persons' allowance be raised consequent upon the increases in rates of benefit announced in the budget speech of last Thursday night?

**Hon. Paul Martin (Minister of National Health and Welfare):** Well, Mr. Speaker, I think that information could appropriately be given when the matter is discussed in the house.

**Mr. Knowles:** Mr. Speaker, may I ask a supplementary question. Is the minister aware of the fact that his colleague the Minister of Veterans Affairs has issued a press release indicating the ceiling changes with respect to veterans legislation? I am sure my hon. friend is not going to lag behind his colleague.

**Mr. Martin:** Mr. Speaker, as my hon. friend knows, the Minister of National Health and Welfare rarely issues a press release.

**Some hon. Members:** Oh, oh.

**Mr. Knowles:** The minister should sing that one.

[Later:]

**Mr. Knowles:** Mr. Speaker, may I ask another question of the Minister of National Health and Welfare. Now that his colleague the Minister of Veterans Affairs has not only issued a press release but has stated in the house today the figures of the new ceilings with respect to the war veterans allowance, will he reconsider the answer he gave to my question a little while ago?

Is it possible to record the minister's affirmative nod?

**Mr. Martin:** Mr. Speaker, I think my reply was comprehensive.

VETERANS AFFAIRS

WAR VETERANS ALLOWANCE—PERMISSIBLE  
INCOME

On the orders of the day:

**Mr. A. J. Brooks (Royal):** Mr. Speaker, in view of the press release by the Minister of Veterans Affairs, I should like the minister to indicate what increase in permissible income will be made under the proposed changes in the scale of benefits under the War Veterans Allowance Act, and also whether there will be an increase in the allowance to single recipients as well as to widows?

**Hon. Hugues Lapointe (Minister of Veterans Affairs):** Mr. Speaker, the permissible income ceilings are being raised in the case of single recipients to \$960 and in the case of married recipients to \$1,620. It is not proposed to have any increase in the single rates, as I pointed out the other day that at the present