

that the tax will be subject to revision after the war.

On section 2, subsection (a)—Board:

Mr. LEMIEUX: Where will you get the referees? Will they be permanent officials?

Sir THOMAS WHITE: We will take that up, I think, when we come to section 12. You will observe section 12 provides that the Governor in Council may appoint a board or boards of referees, and may prescribe the territory or district within which they shall exercise jurisdiction. It would be open to the Government to appoint such boards as may be necessary. I think it would be a mistake to appoint permanent boards, because it might happen that there would be no work for a board to do.

Mr. LEMIEUX: Might I suggest that for such delicate functions as will be fulfilled by those referees it should be understood, and, in fact, enacted, that the boards would be non-partisan.

Sir THOMAS WHITE: Of course, my hon. friend knows I would not appoint a partisan board.

Mr. LEMIEUX: Perhaps I would trust my hon. friend, but there are some others I would not trust. I hope the Minister of Finance will take my suggestion seriously, because I am in earnest. This is a tax which will affect every one in the country, of every political persuasion, therefore, we have the right to exact from the Government that this board of referees, which will have to delve into private affairs, should be a non-partisan board. I say this without any idea of finding fault with the past or present appointments of the minister.

Sir THOMAS WHITE: In connection with the business profits tax, I may say that I never inquired and do not know as to the politics of the officers administering that Act. I am satisfied there are both Conservatives and Liberals employed. On the whole, it is a good staff. I have not heard any complaint whatever as to political partisanship playing any part in the appointments.

Mr. MARCIL: Would this board be composed of judges, or ordinary business men, or Government officials?

Sir THOMAS WHITE: It might be a county judge. It might be composed of lawyers of standing, or business men. The aim would be to get men of good practical judgment, and of such standing as to command confidence.

Mr. MARCIL: They might be called upon frequently to interpret the meaning of "income." For years past the Ontario boards have been called upon to define what "income" is.

Subsection agreed to.

On section 2, subsection (d)—Person:

Mr. A. K. MACLEAN: Should not "partnership" be included there?

Sir THOMAS WHITE: We do not assess a partnership as such. We assess the individual partners, therefore I think it is unnecessary to insert the word "partnership" in this subsection.

Sir WILFRID LAURIER: This, of course, also includes a wife who has an income in her own name?

Sir THOMAS WHITE: Yes. "Person" means any individual.

Mr. GRAHAM: Including women?

Sir THOMAS WHITE: Including women.

Mr. LEMIEUX: The husband is liable, and the wife is also liable?

Sir THOMAS WHITE: Yes.

Mr. A. K. MACLEAN: A case might arise where the tax would be imposed twice. For instance, take the case of a marriage settlement paid under the terms of the settlement out of the income of a husband. The husband might be taxed for it, and it might be of such an amount when received by the wife that she would be liable to taxation also for the same thing.

Sir THOMAS WHITE: No.

Mr. A. K. MACLEAN: If a man pays \$10,000 a year under a marriage settlement to a trustee, that would be part of his income, and he would pay tax on it. When it is paid by the trustee to the wife, she would be in receipt of an income of \$10,000 a year, and she would be liable to taxation. It might be argued that the tax would be imposed twice.

Sir THOMAS WHITE: It would certainly not be so held, because while the husband might have an income, this amount paid under the marriage settlement would be among his liabilities. I think it would be held that the husband would be liable to taxation on his net income, that is to say his income less the amount he was obliged to pay to his wife.

Mr. A. K. MACLEAN: In any event, the investment would be in the name of the trustee?