

was to enable employees who are depreciating themselves in their application to work as a result of which they improve their benefits and become more valuable to the company. In that way their rate of income goes up but their rate of tax goes up also. This stock option was concerned with the idea of enabling an employer to give an employee the opportunity on merit of building a little estate for himself. The only gamble he would take would be that he exercise the option when the price is up.

What are the circumstances that brought about this drastic curtailment? Is it the need for revenue, or have there been abuses? Frankly I do not pretend to know all the things that go on, but in the area in which I move I know of no abuses of this benefit.

Now I should direct your attention at this time to the Tax Appeal Board. There is a change. Under the Income Tax Act the age limit of members presently is 65, and the tenure of office is for any period up to ten years. But having reached 65 a member cannot be reappointed, and some of the senior members of the board who are experienced, serious and capable judges of the Tax Appeal Board would not, unless there is some change in the age limit, be eligible for reappointment when their term expires. This proposed amendment provides for an age limit of 75 years which is in line with that for judges of the superior courts, judges of the Supreme Court of Canada, and—

Hon. Mr. McCutcheon: And senators.

Hon. Mr. Hayden: And senators, yes. I should have started a new sentence when I was going to talk about the Senate.

It does not necessarily mean that any or all of these people will be reappointed; that is a matter for the judgment of those charged with the administration. But my own feeling is that it is a good step, and I think Canada has an investment in these men. They have served for quite a number of years, and if you look at their record of performance you will see that it is very good. If you study appeals and the results of appeals you may ask why should we deprive ourselves of the benefit of persons who perform such service. I commend that to your attention.

Hon. Mr. Connolly (Ottawa West): The Senate should have a very special interest in that board, because I think the original idea for the board came as a result of recommendations from a Senate committee.

Hon. Mr. Hayden: As a result of studies we made back in the forties—

Hon. Mr. Connolly (Ottawa West): Before my day.

Hon. Mr. Hayden: Yes, before your day. This was one of the recommendations we made, that a Tax Appeal Board should be set up to take appeals out of the department.

Hon. Mr. Connolly (Ottawa West): The Senate must have been quite a place in those days.

Hon. Mr. McCutcheon: We are not going to discuss all the effects of that tonight, are we?

Hon. Mr. Hayden: If you agree, I agree. There is an armistice.

Now we come to another portion to which I should draw your attention. If you look at page 11, clause 8, dealing with the mining of potash, you will find the words "sylvite deposit"—that is potash. What they are providing for in the definition of a mine is that the exemption section of the Income Tax Act shall include an operation of this kind. But if that operation has commenced prior to March 29, the tax holiday period of three years will run from the commencement of operations, so there would only be the balance of the period from March 29 to the expiration of the three-year period.

Hon. Mr. McCutcheon: This was what was described in another place as, "a section in relief of Ross Thatcher."

Hon. Mr. Thorvaldson: This remedy is three years overdue; it should have been here in 1963.

Hon. Mr. Hayden: Anything that you say is "overdue," if it is beneficial to the taxpayer, I agree with you. But I am happy to get it sometime because I have been here long enough to know that all life in the Senate and House of Commons in this area is a matter of compromise. You never stand on principle—if you do, you are very silly—for every last ounce. You get as much as you can, and you can come back; there is always another day. Even storm clouds have a way of disappearing and the sunshine returns. A thing that is not fashionable at one time is fashionable at another time.

Hon. Mr. McCutcheon: We will remember that statement of not standing on principle. I have suspected it for a long time, but now we have it on the record.