

move that it be referred to the Standing Committee on Banking and Commerce. Is it the wish of the house that it should be so referred?

**Hon. Senators:** Yes.

On motion of Hon. Mr. Hawkins, the bill was referred to the Standing Committee on Banking and Commerce.

**INCOME TAX BILL**

**SECOND READING**

**Hon. John J. Connolly** moved the second reading of Bill 418, an Act to amend the Income Tax Act.

He said: Honourable senators, this bill, which amends the Income Tax Act, reflects the budget resolutions which were brought down in April of this year. The bill contains some thirty sections, few of which have any relation one to the other. There is little in the way of principle running through the entire bill, and for that reason it presents somewhat of a problem to know how to explain it without entering into too much detail before second reading is given. However, if the bill receives second reading today I will move thereafter that it be referred to the Standing Committee on Banking and Commerce.

A great many of the changes that are proposed in the bill arise out of decisions which have been handed down by various courts, including the Income Tax Appeal Board, and because I know the Senate has a very deep interest in not only the functioning but the original set-up of the Income Tax Appeal Board, I thought it might be interesting at the outset to say something about that board. As honourable senators know, it was established in 1948. From 1949 to 1955 some 2,463 appeals were filed with the board. Of these, 873 were allowed in full or in part and 1,265 were dismissed. To put it another way, of the 2,138 appeals which were disposed of by the Income Tax Appeal Board a little over 40 per cent were allowed in whole or in part and a little more than 59 per cent were dismissed. I have here a table showing the number of appeals filed in each of the calendar years from 1949 to 1955, the numbers allowed in part or in full, and the number of dismissals; and I also have a table showing the number of appeals disposed of by the board, by provinces. It might be of interest to honourable senators if these two tables were placed upon record, by unanimous consent of the house.

**Hon. Senators:** Agreed.

**Hon. Mr. Hackett:** Will the honourable gentleman permit a question before he files

the tables? Do they show the number of appeals lodged in each of the years referred to and still pending?

**Hon. Mr. Connolly (Ottawa West):** I think perhaps a simple operation in subtraction would produce that figure. The number of appeals filed was 2,463, the number disposed of was 2,138, and the difference would be the number of appeals that had not been dealt with by the board. Perhaps that answers the honourable senator's question.

**Hon. Mr. Hayden:** It does not mean that they are pending. They might have been settled.

**Hon. Mr. Connolly (Ottawa West):** It does not mean they are pending, nor does it always mean that they are settled, because I understand that the rule is—it is not observed in every case—that when there is a settlement the parties go to the board and get a consent order. Now, that is not always done but it is done in many cases.

The tables are as follows:

Calendar Year	Appeals Filed	Allowed in	
		Part or in Full	Dismissed
1949	122	6	32
1950	423	62	196
1951	469	180	233
1952	293	164	164
1953	393	140	204
1954	404	189	224
1955	359	132	212
	2,463	873	1,265

**Summary by Provinces for Years 1949 to 1955 inclusive**

Province	No. of Appeals Disposed of
British Columbia	313
Alberta	211
Saskatchewan	120
Manitoba	139
Ontario	743
Quebec	521
New Brunswick	34
Nova Scotia	40
Prince Edward Island	14
Newfoundland	5
	2,140

With a view to simplifying the explanation of this bill I would propose to deal with it under a few headings, under which I would group sections which appear to be related. I will deal, first of all, with sections which provide some relief for the taxpayer; secondly, with sections having to do with