

On section 48—Newfoundland.

The CHAIRMAN: This section deals with some special rules relating to the province of Newfoundland, or to a taxpayer who was a resident in Newfoundland on March 31, 1949.

Hon. Mr. HAYDEN: Is this just what you would call transitional?

Mr. GAVSIE: It implements the terms of the union.

Hon. Mr. HAYDEN: After they get over the hump that this takes care of, then they are in the regular tax stream.

Mr. GAVSIE: That is right.

The CHAIRMAN: Gentlemen, are you prepared to deal with section 48 as a whole, including subsection 1 to subsection 8?

Some Hon. SENATORS: Carried.

Section 48 was agreed to.

On section 49—pre-confederation tax exemptions.

The CHAIRMAN: This section is to carry out paragraph 15 of the resolution, which reads as follows:

That tax concessions under statutes of Newfoundland shall not apply in respect of taxes imposed by any act of the parliament of Canada.

Some Hon. SENATORS: Carried.

Hon. Mr. McLEAN: No one here is representing Newfoundland, so surely some of us should take time to read this over.

Hon. Mr. HAYDEN: I have read it over several times, and I think it is a proper section.

Hon. Mr. BEAUBIEN: We are all representing Newfoundland.

Hon. Mr. CAMPBELL: Was this provision contained in the treaty?

Hon. Mr. McLEAN: It is not right to pass in ten seconds something that may not be good legislation.

Hon. Mr. CAMPBELL: Can you say whether this provision was contained in the treaty signed by Canada and Newfoundland, whereby they agreed to waive any tax concessions they had at the time Newfoundland entered Confederation?

Mr. GAVSIE: You mean the terms of the union?

Hon. Mr. CAMPBELL: Yes.

Mr. GAVSIE: I think so.

Hon. Mr. CAMPBELL: Then this is just to implement the terms of the union?

Mr. GAVSIE: Yes.

Hon. Mr. HAYDEN: The explanatory note on the opposite side of the page refers to paragraph 15 of the resolution. What is that?

Mr. GAVSIE: That was the budget resolution.

The CHAIRMAN: I think it is well known that this has some bearing on certain tax arrangements which were made by the government of Newfoundland prior to Confederation, and which were not perpetuated in so far as the government of Canada is concerned after Confederation.

Hon. Mr. HAYDEN: And the provision that was in this section was incorporated in the budget resolution in March of this year.

The CHAIRMAN: That is correct.

Dr. EATON: And again in October.

Hon. Mr. HAYDEN: Yes.

Hon. Mr. McLEAN: Before this bill was finally put into shape one of the representatives of Newfoundland passed away and the other two have gone home. I think we should read it very carefully.