

Department of Transport Act

taxpayer dies and say to his heirs that they owe any amount. What do they know about it? I am going to say this. They not only steal from the living; they rob the dead. I know of two cases in which I advised the parties to take their case to the appeal board. An official of the minister's department in each case came to the taxpayer and apologized and said, "The whole thing is a mistake. Burn up the letters and we will forget the whole thing". The sorry part of the thing is that they burned the letters. Now they have not any proof and they can get caught again. The situation is getting nearly to the point where departmental practice is a refined type of blackmail and there are no flaws in it or no errors.

There are other countries which are also looking into this problem of income tax assessment. I refer to the Tucker commission in the United Kingdom and the ways and means committee of the House of Representatives in the United States of America. As I failed to mention, this also has been recommended by the Canadian Federation of Agriculture, the Canadian Medical Association and the Canadian Dental Association. They all approve the recommendation that profit-sharing plans should not be taxed until the beneficiary actually receives the cash. This reflects probably on the case I quoted earlier. In some cases a man could be taxed and yet never receive the benefits on which he was supposedly taxed.

While I am mentioning this matter, I should like to point out that there is another inconsistency in the act with regard to the depreciation of farm buildings. Suppose a son inherits a farm property with buildings from his father. The son may claim depreciation at fair market value. On the other hand, suppose there are a number of boys in the family, for instance, and the farmer is not in good circumstances. Suppose the son buys the farm, and it is a bona fide sale. If the son buys the farm from the father, then he cannot claim depreciation. That seems to be a rather unfair ruling, but that is the situation. Had the son purchased a similar farm from a neighbour—someone not his father—he would be allowed depreciation at fair market value. The regulation is extremely unfair.

Mr. Knowles: Six o'clock.

Mr. White (Middlesex East): I realize that it is six o'clock. Joking aside, I will say that the income tax is probably the fairest method of collecting taxes because those who are most able to pay are the ones from whom taxes are taken. But the way in which it is done at the present time is extremely unsatisfactory.

67509—205½

Mr. Deputy Speaker: Order. Does the hon. member wish to move the adjournment of the debate?

Mr. White (Middlesex East): I so move.

On motion of Mr. White (Middlesex East) the debate was adjourned.

TRANSPORT

CONTINUATION OF AUTHORITY TO MAKE
REGULATIONS AND APPOINT CONTROLLERS

The house resumed consideration in committee of the following resolution—Mr. Marler—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce a measure to provide for the continuation for a further period of two years of authority to make regulations for the control of transport of goods in bulk including, amongst other things, the appointment of one or more controllers and one or more deputy controllers to carry out the provisions of such regulations and the payment of their remuneration.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Johnson (Kindersley): Mr. Chairman, just before five o'clock I was outlining the necessity for the function of a transport controller at a time when we are once again being confronted with a very great surplus of all grains. At a time when it has been stated to me by elevator agents that it is more difficult to get cars than it was during the most severe restrictions during the war it is particularly important that we have an administrative body to look after the distribution of our box cars. I pointed out the conditions which existed in the early part of this year when the Canadian wheat board was forced to pay demurrage on ships waiting for cargoes in Vancouver harbour because of the failure to get adequate quantities of grain in position at the time when ships were in port. This demurrage, of course, is absorbed by the farmers who are selling their grain to the Canadian wheat board and therefore they are directly incurring the charge. I pointed out, too, that in January of this year 58 million bushels of space was reported in the terminals of Canada because of the failure of the railways or the powers that be to spot the necessary box cars to take this quantity of grain from the fields of western Canada.

This spring we have seen the tragic spectacle of piles of wheat being flooded, of farmers desperately trying to get through the snow to recover the grain which they