

THE SENATE

Wednesday, May 31, 1939.

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

INCOME WAR TAX BILL

REPORT OF COMMITTEE

Hon. F. B. BLACK presented, and moved concurrence in, the report of the Standing Committee on Banking and Commerce on Bill 142, an Act to amend the Income War Tax Act.

He said: Honourable senators, the committee has considered this Bill and reports the same with certain amendments.

Hon. JAMES MURDOCK: Honourable senators, when I was coming into the Chamber our Parliamentary Counsel asked me if I would draw attention of the Senate to one word, which he considers superfluous, in the first paragraph of section 17, on page 4 of the Bill. As amended by the committee, that section would read:

A taxpayer shall be entitled to deduct from the taxes otherwise payable under this Act an amount up to ten per centum of the capital costs hereinafter in this section mentioned in the manner provided.

Parliamentary Counsel takes the position that the words "in this section," inserted by the committee, are amply sufficient to give effect to the intention, and that the word "hereinafter" might be misleading when amendments are made to the Act in years to come. I did not attend any meetings of the Banking and Commerce Committee; so I do not know what discussion occurred there on this section.

Hon. Mr. BLACK: I may say, honourable senators, that the Clerk of the committee brought this Bill to me just before I came into the Chamber. Our Parliamentary Counsel had suggested in committee that the word "hereinafter" be deleted, but I am informed that the department does not agree with our Parliamentary Counsel, and that it desires to have the clause left in the Bill as reported.

Hon. Mr. DANDURAND: We can quite safely leave the Bill as it is, because the fear expressed by our Parliamentary Counsel relates to what might happen when future amendments to the Act are being made. The Senate could deal further with this section at any such future time.

Hon. Mr. MURDOCK: But if other amendments were subsequently made, it might be argued that "hereinafter" referred to anything introduced in the future.

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: There is that possibility.

The motion was agreed to.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

The motion was agreed to, and the Bill as amended was read the third time, and passed.

SALT FISH BOARD BILL

SECOND READING

Hon. RAOUL DANDURAND moved the second reading of Bill 130, an Act to provide for the constitution of a Salt Fish Board.

He said: Honourable senators, the object of this Bill is to help a branch of the fishing industry that has been totally depressed owing to conditions over which the Canadian Parliament has had no control. The salt fish industry, particularly on the Atlantic coast, has been the mainstay of the fishermen in that part of Canada for centuries, and up to the time of the Great War it had been fairly prosperous. The Atlantic coast means the north shore of Quebec up to Labrador, the Magdalen islands, the Gaspé peninsula, the north shore of New Brunswick, and the eastern and western coasts of Nova Scotia as well as of Cape Breton. This industry usually produced from 50,000,000 to 70,000,000 pounds of dried salt fish, which was practically all exported to foreign countries—Spain, Italy, Portugal, South America, the West Indies and the United States—and the return from these exports was sufficient to maintain in some degree of modest comfort the population dependent upon the trade. The decline in the trade began immediately after the Great War and continued until the beginning of the depression in 1930. Since 1930 the fall in the production and export of dried fish has been greatly accentuated. It reached its low level last year, the quantity being about 19,000,000 pounds, and the low level in price was also struck. In 1927-28 the average price of dried cod, the basic price, was \$6.50 per 112 pounds—a quintal. Last year it was \$3.75. This decline in production is due to the loss of markets, which had been almost exclusively foreign, and that restriction in markets was, in turn, partly due to the contraction of purchasing power in the consuming countries. It was attributable also in a measure to new economic policies adopted by those countries in the way of quotas, high tariffs and restrictions in various ways against imports of Canadian fish. Another factor, which has contributed more than anything else to depress the dried fish industry, has been the