

Of course this tax, which will be five per cent as long as the agreement is in effect, is not of the same character at all as other taxes which the United States Government have imposed, and of which there is no counterpart on this side. It is a most preposterous thing that the Canadian holder of a security in a Canadian company should be taxed in the United States simply because the security was bought, say, on the New York exchange and was afterwards sold there at a profit.

Hon. Mr. DANDURAND: I thought they had suspended their action—

Right Hon. Mr. MEIGHEN: They did suspend it, and started again. Whether or not it is suspended at this minute I do not know. Letters still keep coming in. I can think of nothing that is more calculated to destroy the friendship between the two countries than a tax of that kind.

The tax under consideration is a tax of a different stamp, and even though the Government could get nothing of a permanent nature I am glad it got as much as it could, and I congratulate the Canadian Minister.

Hon. Mr. DANDURAND: As the arrangement comes into effect as of the 1st of January, 1936, I surmise that those who are called upon to pay under the new convention will be able to arrange with the United States Government for the deduction of whatever has been paid over and above the five per cent, and that there will be an equalization.

As to the abandonment or denunciation of the present convention, what my right honourable friend has said is very true. If the convention contained a proviso stating that it was to remain in effect for three years we should feel that there was a certain security. However, I am convinced that under the present administration the convention will continue until the end of the term of the President of the United States, who is practising the "good neighbour" policy.

I move the adoption of the resolution.

Hon. C. MacARTHUR: I should like to ask the right honourable leader on the other side of the House (Right Hon. Mr. Meighen) whether he thinks the collection of taxes from Canadian investors who have bought or sold on the New York exchange is practicable. The Canadian investor does not make any return to the American Government. I have heard it said that there is very little in the contention put forward by the right honourable gentleman. Does he think the brokers in New York are going to show all the transactions with Canadians?

Right Hon. Mr. MEIGHEN: Very substantial sums have been paid under suggestions—I had almost said threats—of various kinds. The American Government, in respect of those claims, is in this position: it can impound the securities which a Canadian holds in an American company, and further, can refuse the right of sale on American exchanges. These powers have had the effect of inducing quite a number of Canadians, companies as well as individuals, to adopt the view that perhaps they had better pay and get clear as best they could.

Hon. Mr. MacARTHUR: Many do not pay.

The motion was agreed to.

MESSAGE TO COMMONS

Hon. Mr. DANDURAND moved:

That a message be sent to the House of Commons to acquaint that House that the Senate doth unite with the House of Commons in the approval of the convention entered into at Washington on the 30th day of December, 1936, by the Government of Canada and the Government of the United States of America, concerning rates of income tax upon non-resident individuals and corporations.

The motion was agreed to.

CANADA-UNITED STATES SOCKEYE SALMON FISHERIES CONVENTION

RESOLUTION TO APPROVE UNDERSTANDINGS

The Hon. the SPEAKER: Honourable members, a message has been received from the House of Commons in the following words:

That a message be sent to the Senate informing Their Honours that this House has adopted a resolution approving of the provisions of the convention between Canada and the United States of America for the protection, preservation and extension of the sockeye salmon fisheries in the Fraser River system, signed at Washington, May 26, 1930 (attached hereto), being administered upon the understandings set forth in said resolution, and requesting that Their Honours will unite with this House in the approval of the said resolution.

When shall this message be taken into consideration?

Hon. RAOUL DANDURAND: With leave of the Senate I move that the message be considered now.

The motion was agreed to.

Hon. Mr. DANDURAND: Honourable senators, the resolution reads as follows:

Resolved,—That, in connection with the exchange of ratifications of the convention between Canada and the United States for the protection, preservation and extension of the sockeye salmon fisheries in the Fraser River