

*Income War Tax Act*

Mr. RHODES: I do not think my hon. friend and I misunderstand each other; I was going to point out that in the case he mentioned, to the extent that that individual had his salary augmented by additional earnings, to that extent he would move up in the bracket of income taxation and pay to the treasury an increasingly larger amount year by year. That would tend to indicate there is not that injustice which my hon. friend has in mind.

Mr. POULIOT: Naturally, if he earns more, he would have to pay more.

Mr. RHODES: My hon. friend will recall this: in the case of pensioners who have no outside earnings and who have only their pensions to subsist on, their pensions of course are less than they formerly received by way of salary. I do not know that I need elaborate on that point, but that is why the distinction is made between salary in one case and pension in the other.

Mr. MERCIER (St. Henri): Do they pay income tax on the pensions they receive?

Mr. RHODES: Yes.

Section agreed to.

On section 2—Taxpayer may elect to be subject to Salary Deduction Act.

Mr. POULIOT: When the act with regard to superannuation at the age of seventy-five of judges of the Supreme court was passed, it was understood that judges who were then on the bench and who would retire at seventy-five would have the same salary as they had before. So a gentleman who does not sit on the bench any more and who receives the same amount of money as do his former colleagues who are still sitting, nevertheless pays nothing under this particular legislation. I shall not labour the point further, but I take this opportunity to submit this matter to the minister as it is serious. I say again I have the highest regard, without exception, for anyone who has sat on the bench of the Supreme court. My point is merely that all discrimination should be removed.

Section agreed to.

On the title.

Mr. COOTE: In regard to the proposal I made to the minister a few minutes ago, I take this opportunity of saying that I should not like anyone to think that I was suggesting that we take ninety-nine per cent of any

[Mr. Pouliot.]

man's income. I want to point out that the ninety-nine per cent would apply simply on the ninety-ninth thousand of his income. Under my proposal any man assessed for an income of the amount I suggested would still have an income left to him, after he had paid his tax, of at least \$50,000 or thereabouts.

Title agreed to.

Bill reported, read the third time and passed.

## SUPPLY

## ALLEGED MALADMINISTRATION IN DEPARTMENT OF MARINE

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee of supply.

Mr. A. W. NEILL (Comox-Alberni): I shall not detain the house more than ten or fifteen minutes at the outside, Mr. Speaker. I want to deal with a matter with which the Minister of Marine (Mr. Duranleau) dealt the other night when he was speaking in connection with the contract for the bridges on the trail between Pachena and Bamfield. He spoke at a time, as we all know, when it was impossible for me to make any reply, and I think the minister took full advantage of that fact. His remarks got considerable publicity in the press, and I hope that my reply will get the same degree of publicity.

The minister quoted figures which would suggest that I had very much exaggerated the profits which were made out of this contract, but I would point out that I was careful to qualify my remarks in that regard. I said:

The best information I have—and I shall not be too definite on this point, but I believe it to be correct—

Then I went on to quote what I understood to be the wages paid.

However, I will check up on my information. I got mine as the minister got his, second-hand. I believed it to be correct, and I still believe it to be correct, and I shall check up on it before I shall admit that my statements were wrong. There are two reasons that animate me in taking that stand. One is that if the figures quoted by the minister had been taken from his departmental returns, from the office pay sheets, for example, I, of course, would have had to admit their correctness. But they were not. They were from statements furnished to him by the contractor in question, who, of course, was highly interested in making the best case he could.