

the house is at all bound to give effect to the report.

Hon. Mr. ROBERTSON: I was simply answering my honourable friend from Peterborough (Hon. Mrs. Fallis). She suggested that we were committed to the report because we had not voted against it.

Hon. Mrs. FALLIS: I contend that if there was any objection to the report it should have been voiced at the time. The committee had Mr. Elliott before them; they formed their opinion on his evidence and brought in a unanimous report. I am wondering what in the meantime has changed the opinion of certain honourable members. If there is any real reason why the Senate should not stand behind the report, I think we should know it.

Hon. Mr. CAMPBELL: I suppose that, as sponsor of the special committee which was set up to consider the Income War Tax Act and to make recommendations as to its amendment, I should answer the question. As the honourable leader opposite (Hon. Mr. Ballantyne) has said, I do not consider that any member of this house is formally bound by all the details in the report. I think we have endorsed certain principles, including the principle of the constitution of a board of tax appeals. I made certain comments about this phase in the committee. I am wholly in accord with the principle of establishing an appeal board with full and complete power to review ministerial discretion, and to review anything in connection with assessments which may result in the levy of taxation upon an individual or corporation. The reason I have some doubts about the acceptance of the proposed amendment is simply this. When we started to study the Income War Tax Act we came to the conclusion that it should be completely revised. The act was designed to invest the minister with full discretion in exercising his administrative duties. It seems to me that until this thorough revision has been undertaken it would be wrong in principle to go against the judgment of those charged with the administration of the act and say that the minister should have no power to exercise his discretion.

Hon. Mrs. FALLIS: Did my honourable friend arrive at that conclusion when the committee was holding its meetings? If so, why was it not presented to the house when the report was presented? What was stressed very largely by the committee was this very necessity of an appeal board to review the discretion of the minister.

Hon. Mr. CAMPBELL: The matter was not discussed in this house, but I raised it in committee. I was quite prepared to go along with the other members of the committee—and I am still—that our objective is to set up an appeal board with power to review ministerial discretion; but I do not consider that the act is revised sufficiently at the present time to enable us to vest in the proposed board full and complete authority for this purpose. The government has said that it is prepared to revise the act, and I understand that already a committee is engaged on this work.

Hon. Mr. MORAUD: I do not want to hold my honourable friend to his word, but I would remind him that he definitely committed himself to this board of tax appeals. At page 388 of the Senate *Hansard* I find this statement by him:

The committee, however, were of opinion that it was not desirable to deprive the taxpayer of the right of going before an independent board. The committee have recommended, therefore, that the Board of Tax Appeals should be empowered to review the exercise of ministerial discretion.

Nothing has happened since to change his viewpoint.

Hon. Mr. CAMPBELL: That is quite correct; the exercise of ministerial discretion should be subject to review. There is no doubt about that at all.

Hon. Mr. BALLANTYNE: Subject only to review?

Hon. Mr. CAMPBELL: No, review as is contemplated by the proposed amendment. But in the act there are so many discretions of a ministerial character that I question whether the whole machinery of income taxation would not be bogged down if any individual, no matter what the minister decided, could appeal from his decision to a court.

Hon. Mr. EULER: You have altered your position now.

Hon. Mr. CAMPBELL: I have altered my position to this extent, that until certain sections vesting powers in the minister are taken out of the act and put on a definite statutory basis, we should most carefully consider the procedure to be followed after an assessment is made.

Hon. Mr. MORAUD: I understood that you had carefully considered the procedure, otherwise you would not have recommended it.

Hon. Mr. CAMPBELL: Just so. As the act stands there is no appeal against an assessment which is made as a result of the minister