

These are the recommendations contained in the Report on Bill 102, an Act to amend the Criminal Code, which the Committee has unanimously decided to present to this House.

The Report was concurred in.

THIRD READING

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

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

BUSINESS PROFITS WAR TAX BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 248, an Act to amend the Business Profits War Tax Act, 1916.

He said: Honourable gentlemen, this is a Bill of one clause. It reads as follows:

1. Subsection three of section thirteen of The Business Profits War Tax Act, 1916, is amended by striking out all the words after the word "liable" in the second line thereof down to and including the word "payable" in the third line thereof, and the words "within the said three years" in the seventh line thereof. The said Act shall be construed as if the words struck out by this amendment had never been contained therein.

If the Senate is agreeable to this amendment, clause 3 will then read as follows:

Any person liable to pay the tax shall continue to be so liable, and in case any person so liable shall fail to make a return as required by this Act, or shall make an incorrect or false return, and does not pay the tax in whole or in part, the Minister may at any time assess such person for the tax; or such portion thereof as he may be liable to pay, and may prescribe the time within which any appeals may be made under the provisions of this Act from the assessment or from the decision of the Board.

It will be seen that any person liable to pay a tax would continue to be liable for the period of three years from the time when such tax was payable. Three years have elapsed since the Act came into force, and out of \$200,000,000 that was assessed under this legislation there is \$8,000,000 still outstanding and to be collected.

Right Hon. Sir GEORGE E. FOSTER: On profits tax alone?

Hon. Mr. DANDURAND: On business profits war tax alone. By far the larger part of this \$8,000,000 that is still outstanding comes within the three-year period; but there are a certain number of persons whose assessment has been unpaid for three years. When the Act was passed we set a prescription, so to speak, of three years, feeling that that was a long enough period for the Department of Finance to collect the tax. Yet some arrears are apparent, and it is sought to do away with that time limit so that the persons who

have been owing the debt for the last three years, and who under the present law would have been freed from further liability, will fall back among the live debtors of the State, and collection will be possible. It is felt that it would be unfair to those who have made payment that these people should be free of liability. It may be argued that we are depriving these people of an acquired right. When Parliament fixed that time limit of three years, it did not immediately free the debtor from paying his debt. Because a date is fixed in our laws up to which a creditor will have the right to exact payment of a debt, it does not mean that the debtor upon the arrival of that date is immediately free from his obligation.

Hon. Mr. ROCHE: There are cases that have not been mentioned by the honourable leader, in which people who were taxed have questioned the law and defended their rights. How are they to be affected by the retroactive legislation?

Hon. Mr. DANDURAND: They are not at all affected by the Act. Their rights are reserved. Of course, if one had been sued after the expiry of the three years, and he had pleaded estoppel, his defiance could not avail him, since we are giving retroactive effect to this Bill.

Hon. Mr. TURRIFF: Take the case of a farmer's company, who owed the Government \$1,000 on this account; the three years elapsed a month ago, and in the meantime before this Act was passed, the company had sold all their assets. Would the Government be out then?

Hon. Mr. DANDURAND: We have a French saying that where there is nothing the King loses his rights. I suppose that will apply.

The motion was agreed to, and the Bill was read the second time.

THIRD READING

Hon. Mr. DANDURAND: I would ask that we take the third reading without going into Committee.

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

MONTREAL HARBOUR BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 250, an Act to provide for further advances to the Harbour Commissioners of Montreal.