

Inquiries of the Ministry

board meant by the term "psychological discounts" when reviewing the case of a Winnipeg lumber firm, I would state that evidently he has reference to a decision of the income tax appeal board in the case of McDonald-Dure Lumber Co. Ltd. v. Minister of National Revenue.

This company in selling lumber to its customers allowed a discount, presumably for prompt payment. In its income tax returns the company deducted the amount of the discounts from its accounts receivable. The assessor considered that the discount was only a contingent reserve and disallowed the deduction claimed. At the hearing the company established that the discount was always given the customer even if payment was late and the board therefore found that it was not a contingent reserve. Mr. Fordham, the member of the board who rendered the decision, made the statement that "the amount of the discount was added to an account simply for the psychological effect on the customer who was led to believe that by paying his account promptly his bill would become 10 per cent less". The term "psychological discounts" was apparently used by a newspaper in reporting this judgment.

It might be explained that in assessing taxpayers on an accrual basis all sales made in the year are included in income—less a reasonable reserve for bad debts—whether the customer pays or not. Had these discounts been established to be contingent only they would not be allowed as a deduction until the account was paid and the discount in fact established.

REPORTED NON-COMPLIANCE WITH ACT
BY POST OFFICE OFFICIALS

On the orders of the day:

Mr. W. M. Hamilton (Noire Dame de Grace): Mr. Speaker, may I ask if the Acting Postmaster General can inform the house what steps are proposed to alleviate the considerable inconvenience caused departmental employees in Montreal and Ottawa by the department's non-compliance with certain provisions of the Income Tax Act.

Hon. J. W. Pickersgill (Acting Postmaster General): Mr. Speaker, I am not aware of any of the facts alleged in this so-called question but I will have inquiries made.

HOUSE OF COMMONS

INQUIRY AS TO RESUMPTION OF DEBATE ON
EXTERNAL AFFAIRS

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, in view of the understanding, which appears to have been [Mr. McCann.]

quite clear in the minds of hon. members of this house, that the Prime Minister would be making a further statement during the debate on external affairs in regard to the commonwealth conference, and in view of the desire of some of us to take part in that discussion, may I ask the Prime Minister if it is his intention to do so and when we may expect the resumption of the debate we were engaged in yesterday?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I gave no undertaking about a further statement in connection with the prime ministers' conference. I said that there would be an opportunity to discuss that conference when the debate on external affairs was taking place and the hon. member for Prince Albert (Mr. Diefenbaker) did discuss it yesterday during the course of his remarks.

Replying to the second part of the question, there are many matters that we are anxious to have dealt with by the house. My colleague who has been leading the house has been discussing with the representatives of the other parties the most convenient arrangements that can be made for that purpose. I am not in a position to make any statement as to when it will be possible to dispose of the various matters.

Mr. Drew: Mr. Speaker, may I ask the Prime Minister if it will not be possible to fix a definite date so that in regard to a subject which is of such paramount concern and which was dealt with by only a very few members yesterday we might have a definite indication as to when it will be coming up so that appropriate arrangements may be made by those hon. members who may wish to participate in the debate.

Mr. St. Laurent: I hope that can be arranged to the satisfaction of all hon. members.

SOCIAL SECURITY

REQUEST FOR CONSIDERATION OF INCREASES
IN PAYMENTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. In view of what is already being done in the three western provinces and in view of Ontario's offer to match any federal aid boost to old age pensioners, will the government consider increasing the amount of the pensions paid under the Old Age Assistance Act, the Old Age Security Act and the Blind Persons Act?