

Hon. Mr. MURDOCK: —good act and look as though they are from South Carolina or Texas, and they can come into Canada as tourists practically without an investigation or any questions asked. A grand new class of law evaders is established and confirmed, and they are prevented from incriminating themselves. That result, in my humble judgment, is what some of the objectors to the original bill wanted, and their purpose has been fully met.

Hon. J. J. BENCH: Honourable senators, may I say a brief word on the life of this measure? When the bill was before the Senate for second reading, several of us expressed the view that it should expire some time in 1948. However, when that point was discussed in committee it was intimated that the legislation would not be likely to come into force prior to the 1st of January, 1947—

Hon. Mr. HUGESSEN: Much before that.

Hon. Mr. BENCH: —or, as my honourable friend says, much prior to that time. The reason given was that there are certain administrative details to clean up, new regulations to make, and so forth. It was also felt that two years would be the shortest reasonable time within which to gain the experience necessary in order to determine whether the measure should be extended. For those reasons it became necessary to extend the time into 1949. I wanted to state this point, because some of us had very strongly expressed the view that the legislation should terminate in 1948.

Hon. JOHN A. McDONALD: Honourable senators, I think it is only fair to express our appreciation to the members of the Banking and Commerce Committee for their splendid work generally, and especially for the long and careful consideration they have given to this particular bill. Two or three other senators who were not members of the committee have also rendered notable service.

Hon. Mr. HUGESSEN: Hear, hear.

Hon. Mr. McDONALD: I should like to ask the acting chairman of the committee why, by the amendment to subsection 4 of section 11, the Governor in Council is substituted for the minister in the appointment of alternates?

Hon. Mr. HUGESSEN: In answer to my honourable friend from King's, I may say that the committee considered section 11 very carefully, and the Acting Minister of Finance himself suggested that the amendment be made. Perhaps I should explain that as originally drafted the section permitted any of the

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designated members, with the consent of the minister to appoint their own alternates. But it was thought that this might be too rigid; that if, for instance, the minister found one of the seven designated members was not performing his duties properly, the minister himself should have the power of designating the alternate.

The motion was agreed to and the amendments were concurred in.

### THIRD READING

Hon. Mr. ROBERTSON moved the third reading of the bill, as amended.

The Hon. the SPEAKER: Is it your pleasure, honourable senators, to concur in the motion?

An Hon. MEMBER: On division.

The motion was agreed to, and the bill, as amended, was read the third time, and passed, on division.

### INCOME WAR TAX BILL REPORT OF COMMITTEE

Hon. Mr. HUGESSEN (on behalf of the Chairman) presented the report of the Standing Committee on Banking and Commerce on Bill 368, an Act to amend the Income War Tax Act.

He said: Honourable senators, the committee have examined this bill, and now beg leave to report the same with four amendments, which I suggest the Clerk should now read.

The First Clerk Assistant thereupon read the amendments as follows:

1. Page 19, after line 24. Add the following as subclause (3) to new clause 7A:—

“(3) Any insurance company, liable under this, or any other Act, for full tax on its profits, including interest on investments, may deduct from such tax the amount of tax on premium paid, or payable.”

2. Page 26, after line 31. Add the following as subclause (3) to new clause 69B:—

“(3) Upon any appeal, the Income Tax Appeal Board shall have power to determine all disputes between taxpayers and the Department of National Revenue with respect to taxes payable under this Act, and in determining any question before it shall have and may exercise all the powers and discretions vested in the Minister by this Act and, notwithstanding any previous exercise or purported exercise thereof by the Minister, shall exercise such powers and discretions in the manner in which, in the opinion of the Board, the Minister should have exercised the same in the first instance.”

3. Pages 27 and 28. Leave out new clause 69E.

4. Pages 37, 38, 39 and 40. Leave out the Fifth Schedule.

The Hon. the SPEAKER: When shall the amendments be taken into consideration?