

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on the Bill.

Hon. Mr. Taylor in the Chair.

Hon. Mr. DANDURAND: I may say, honourable gentlemen, that these amendments are mostly declaratory of the practice of the Department. Those which alter present conditions refer mainly to appeals, and have been submitted to one of the Judges of the Exchequer Court for his opinion. The proposed changes have been endorsed by that Judge, who has had considerable experience in this matter.

On section 1—income to be not less than income from chief occupation:

Hon. Sir EDWARD KEMP: I understood the honourable leader of the Government to say that in this Bill there is no change in principle—that it related rather to the interpretation of former Acts. Is that the position?

Hon. Mr. DANDURAND: Yes.

Section 1 was agreed to.

Section 2 was agreed to.

On section 3—restriction on deductions; cutlay of a capital nature not allowed:

Hon. Mr. DANDURAND: This merely declares the law and does not vary the practice of the Department.

Hon. Mr. ROCHE: Suppose that bad debts were incurred. Ought they not to be a proper deduction from the profits of a business?

Hon. Mr. DANDURAND: There is a reserve allowed for bad debts.

Sections 3 and 4 were agreed to.

On section 5—pensions:

Right Hon. Sir GEORGE E. FOSTER: That is an addition. What is the effect of it?

Hon. Mr. DANDURAND: There is this addition:

"or to any member of the military, naval or air forces of His Majesty's allies," and by inserting after the word "forces" in the fourth line thereof the following words: "or in the forces of His Majesty's allies."

The reason for the change is to grant equitable treatment to persons resident in Canada who served or whose husbands served, in the Great War.

Right Hon. Sir GEORGE E. FOSTER: That is, then, for Canadians who served with the Allies?

Hon. Mr. DANDURAND: It applies mainly to widows and to soldiers who were resident in Canada and who served during the war in the armies of the Allies.

Right Hon. Sir GEORGE E. FOSTER: It makes them eligible for pension?

Hon. Mr. DANDURAND: Yes.

Section 5 was agreed to.

Sections 6 to 9, inclusive, were agreed to.

On section 10, new section 25—taxes to be a lien:

Hon. Mr. WILLOUGHBY: Section 25 provides that the taxes shall constitute a lien. I have no objection to that: It has a priority over all other liens in favour of the Crown.

Hon. Mr. DANDURAND: As against the subject.

Hon. Mr. WILLOUGHBY: Yes. I am not objecting to that. What provision is there for registration in so far as it affects real property?

Hon. Mr. DANDURAND: There is no provision for registration.

Hon. Mr. WILLOUGHBY: The public should know of it.

Hon. Mr. DANDURAND: It is the general practice throughout the world that no registration is needed for a lien of the Crown.

Hon. Mr. WILLOUGHBY: I do not want to detain the Committee for more than a second. You have enunciated the principle of the priority of the rights of the Crown as against those of the subject, without registration. Take the case of a lien on real property. In our provinces in the West, where the Registrar of Land Titles issues a certificate of title, which gives a guarantee by the Crown subject to such conditions as are mentioned, how is the purchaser going to protect himself?

Hon. Mr. CASGRAIN: He has to find out.

Hon. Mr. WILLOUGHBY: How is he going to find out?

Hon. Mr. DANDURAND: He would have to inquire of the Government, just as he would inquire of a municipality.

Hon. Mr. BEIQUE: This would apply in the same way as it has always applied.

Hon. Mr. McMEANS: It might be impossible to put through a property transfer.

Section 10 was agreed to.