

are judicial functions involving the property of the subject; such functions should be exercised by persons that are independent of the Government and do not hold office at the pleasure of the Government.

Yours very truly,

INCOME TAXPAYERS ASSOCIATION

HERBERT ADAMSON,
Secretary.

A copy of this letter was sent to the membership of this association—comprising now more than 7,000—and at the association's annual meeting its contents were approved.

3. Also upon the appointment of this committee the association conducted a survey of its membership in respect to income tax matters. Resulting from this, we have received a great number of letters, some of them complete briefs, in respect of income tax problems of general application which particularly affect our membership. It is largely on the basis of this survey that the material in this memorandum is founded.

4. We approach this subject also in the knowledge that the Canadian income tax system that we have today is essentially a wartime taxation structure. The original Act was, of course, passed during the first great war. Between the wars it became a patchwork of amendments and then during the last war this tax collecting structure was further patched by piling amendment on top of amendment and by pyramiding taxes ever higher and higher. Naturally little if any consideration could under the circumstances be given to fairness, equity or justice in this structure. The time was too critical for that. Also our Income War Tax Act and Excess Profits Tax Act, besides being required to produce the maximum amount of revenue, were designed as price control, anti-war profiteering and anti-inflation measures.

5. Hence we approach this task, as we presume this committee does, not so much in the spirit of criticism of what has been done under pressure of desperate circumstances but rather from the point of view of how best to formulate an income tax law for Canada which will be just, fair and equitable as between taxpayers and classes of taxpayers, which will not be repressive of business and enterprise, yet will yield a revenue to the government consistent with the needs of our peacetime economy.

RESTORE TAXING POWER TO PARLIAMENT

6. We are concerned here mainly with the vexing problem of so-called ministerial discretion.

I refer to the evidence which has been presented to this committee, particularly by Mr. Elliott.

7. Much has been said to the committee concerning the method and manner in which powers of discretion are exercised. But the fact appears undisputed that there is, in Canada, immense public dissatisfaction over the near unlimited discretionary powers that are given to the Minister and his officials by various provisions of the Income War Tax and Excess Profits Tax Acts.

8. We desire first to emphasize the point that in time of National emergency such as war when the certain and expeditious collection of taxes is an important factor in National survival, the grant of dictatorial powers to this end can be tolerated and perhaps excused. But the grant of such powers in wartime is not a reason for their perpetuation in peacetime.