

of administering the tax. After giving the matter careful consideration we determined upon the imposition of penalties. I am greatly impressed with the necessity of efficiently administering this income tax, and we must have power to compel the making of returns.

Mr. J. H. SINCLAIR: Whose duty is it now to institute prosecutions against those who fail to make returns?

Sir THOMAS WHITE: The department. Resolution agreed to.

On section 14:

14. That the date of assessment fixed by subsection one of section ten be changed from the thirtieth day of April to the thirty-first day of October, and in default of payment within one month from the date of the mailing of the assessment notice, a penalty of five per centum of the amount of such tax shall be added thereto, and thereafter a further penalty of one per centum per month shall be added for each additional month or portion thereof during which the said tax and penalty remain unpaid.

Mr. J. H. SINCLAIR: What is the reason of the change?

Sir THOMAS WHITE: It is quite impossible to get in returns by April 30. We are getting in returns now of over a year ago. It is necessary to extend the time to October 31. Although the legislation of to-day calls for a reply by the 28th of February, the returns do not come in and you have to extend the time, we are providing to make assessment may be made up to October 31.

Mr. COCKSHUTT: Is it intended that this penalty shall be enacted in the case of delay for which the party assessed is not responsible but which is attributable to the department? Frequently matters are not absolutely clear as to what the amount of taxation should be in respect of some claims, and in the result there is a delay on the part of the department in informing the assessed person how much his tax is. If the delay is due to no fault of the man who is assessed is it intended to exact a penalty from him?

Sir THOMAS WHITE: The penalties are intended to effect the making of returns and the payment of the tax. Governments are always very lenient in the exaction of penalties and in a case such as that suggested by the hon. member, if the party assessed were not responsible for the delay, one could not conceive of the penalty being fairly exacted.

Mr. McMASTER: May I make one suggestion at this time which I made in my

address on the Budget? The Government could receive a considerable portion of the tax long before it does by allowing people, when they make out their returns, to assess themselves and send in their cheques, subject, of course, to correction afterwards either by way of refund or the payment of any amount payable.

It has come under my observation that people have been quite ready and willing to pay their assessment under the income tax and the Government might have got very substantial sums a few months before they actually touched the money. Is there any practical objection to that?

Sir THOMAS WHITE: I see no practical objection to it. I think it is a very valuable suggestion. The Commissioner of Taxation tells me that as a matter of fact he is quite willing to do that. If a party in making his return sends his cheque along he will be credited with the amount. If it is necessary, upon examining the return, to add to it the party can be billed for the additional amount. In that way the money can be got in more rapidly.

Mr. ARGUE: Last year, in March, I sent in my return, and, when I went home in June, I got a notice from the department in Regina stating that there were discrepancies in my return. I went in and fixed them up satisfactorily to the collector there. When I came down in February I got notice from the department that I had not made my return for 1917. I informed the department that I had made my return in June of that year in the office in Regina. I never heard from them afterwards.

Sir THOMAS WHITE: That would appear to be a case in which the department had made a mistake. The commissioner states that the inspector at Regina informed the department he had not received the return. It was clearly a departmental error. I am sorry.

Resolution agreed to.

On section 16:

16. That any chartered bank of Canada shall receive for deposit without any charge for discount or commission any cheque made payable to the Receiver General of Canada in payment of tax or penalty imposed by this proposed legislation, whether drawn on the bank receiving the cheque or on any other chartered bank in Canada.

Mr. J. H. SINCLAIR: Does the department pay for that service?

Sir THOMAS WHITE: The cheques are paid at par. It is a great convenience to the taxpayer.

Resolution agreed to.