

Mr. ABBOTT: The minister may make regulations, not the governor in council. I am going a little farther in this section.

Mr. FLEMING: Probably that is another case where some improvement could be made in the new big bill.

With regard to the subject matter of paragraph (b), this is a matter of giving power to the governor in council to direct persons to make information returns which bear, not necessarily on their own assessments, but on the assessments of other people. Everybody wishes to see the government clothed with sufficient power to make sure that all persons who are properly taxable do pay their taxes. But after all, parliament has always proceeded, as I understand it, on the theory that the decision to compel people to make returns is an important matter and it has always done that by legislation. There are sections in this income tax act which require persons to make returns; such provisions are always in the form of legislation. It seems to me that this is a new departure, in clothing the governor in council with power to direct persons to make returns.

Mr. ABBOTT: I do not wish to prolong this debate either. I am informed that there are fairly wide discretionary powers under the British act to make regulations for returns of this kind, although I have not seen it. I would suggest to the committee that we give this a try; and if when the larger bill comes in, it is still felt that it is objectionable, when we are considering it next year we could repeal the section. I feel certain there will not be any abuse. As my hon. friend himself has said, it is put in solely for the purpose of seeing that the provisions of the taxing act are fully and fairly administered and that no one gets away without paying his just share of tax; because, if he does, somebody else has to pay it. That is the only purpose behind the section. It is not to try to give bureaucrats, so-called, any additional powers to go around harassing people for returns which they should not make.

Amendment agreed to.

Section, as amended, agreed to on division.

Mr. ABBOTT: Mr. Chairman, if I can do so under the rules, I should like to reopen a section which has already been carried. I refer to section 9. In that section, as the committee will recall, we extended to the smaller cooperatives—that is, cooperatives whose income did not exceed \$2,000—the privilege of not making instalment payments of

their tax because of the difficulty of knowing early in the year what their patronage dividends would be; they were exempted from that provision. Since the section was passed last night, I have had representations from the secretary of the cooperative union and from some others to the effect that that amount is rather too low; that it would involve a tax of only some \$600. Therefore, with the permission of the committee I should like to ask one of my colleagues to move that the \$2,000 figure be increased to \$3,000, which would be roughly equivalent to a tax on such small cooperatives of \$1,000. As a result of discussion with those who are familiar with these matters, I am told that they believe that will be reasonably satisfactory. In any event, we will try it out over this year, and if it is not satisfactory I would be quite receptive to the suggestion of increasing the amount by a further reasonable figure. However I think it will be found to be sufficient.

The DEPUTY CHAIRMAN: In order to reconsider section 9, it will be necessary to have a motion that the committee revert to it.

Mr. McCANN: I move that the committee revert to section 9.

Motion agreed to.

On section 9—When amount of income is \$2,000 or less.

Mr. McCANN moved:

That section 9 of Bill 269 be amended by deleting the words "two thousand dollars" wherever they appear therein and substituting the words "three thousand dollars."

Mr. FULTON: Just before the amendment carries, I should like to ask the minister, if it would not be abusing a confidence on his part, whether the request was made specifically for \$3,000 or whether it went beyond that amount? In other words, why stop at \$3,000?

Mr. ABBOTT: It went beyond that. The original request made by the association was for a tax of \$2,000. I felt that was really too much because it would be equivalent to a taxable income of \$7,000; and it seemed to me that a cooperative with a taxable income of that size should be able to estimate pretty well in advance. This is a special arrangement for smaller cooperatives which do not keep their books in quite the same way, and which, I am informed, find some difficulty in estimating, early in the year, what their patronage dividends were as a deduction from income. I was told this morning by these people that this amended figure which I am