

payment of sixteen months' personal income tax in six months. This inflicted great hardship on most people. If the minister had it in mind to adopt any such plan as that he should not have delayed the budget last year until June 23.

What has happened since? This budget is brought down in March, and after we have paid two payments on the 1942 income tax—one in the fall, and one on the 15th January, which was practically paid in 1942—we are told, "You have to begin on your 1943 payments in March", and most of us have paid twenty per cent.

In passing I would call the attention of the minister and all hon. members to the form which we signed when we sent in our twenty per cent. I wonder whether everybody read that form through. You had to make your own estimate, and you had to make it at the end of the third month of the calendar year.

Mr. GIBSON: Or take last year's figures.

Mr. HANSON (York-Sunbury): Yes, the minister is quite right; we had the alternative. And there was a notice that if you erred in your estimate you were going to incur a penalty. Is that British? I put it to the minister. What authority has he to do that? What authority has he to impose that penalty? If the minister has that authority, I denounce it.

Mr. MARTIN: There is no way of calculating.

Mr. HANSON (York-Sunbury): There is absolutely no way of calculating what you are going to get. Let me tell the member ship of this house, with respect to investment income, that that income is diminishing every day. Take the returns of corporations which are now publishing their financial statements; nearly every one of them shows reduced earnings. What is going to happen? Dividends will be reduced. There is a reduction in the value of capital of hundreds of millions of dollars by reason of over-taxation. I suggest to the minister that he ought to apologize to the Canadian public for having put that in a form which we had to sign and send in by the 31st of March.

Mr. GIBSON: Perhaps I might explain these points as we go along. The form which was issued permits people to estimate their tax from the income of last year. If people wish to estimate a lower income, and do so, and then find that their estimate is wrong, they pay interest on the underestimate for having taken that chance.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): That is just what I object to.

Mr. GIBSON: Otherwise they have the right to pay the tax on last year's income.

Mr. HANSON (York-Sunbury): You do not give the taxpayer a sporting chance. Most people try to do this meticulously. They are afraid of penalties, they are afraid of interest on unpaid amounts and all that sort of thing. But to tell a man that because he makes an error in an estimate he is going to be penalized by the government is going one step too far. I object to it, and I think the Canadian people object to it, and I ask the minister to withdraw that provision. If a man does not make a proper estimate and does not pay sufficient when the tax on his income is payable, charge him interest on the deficit if you will; but to impose a penalty by regulation—what have we come to in this country, when departmental officials can impose penalties on the people of Canada? It is tyranny, that is what it is, just tyranny. It is about equivalent to what the Minister of Labour has in some of his statutes—a denial of British justice. I demand in the name of the Canadian people the withdrawal of these penalties.

Now let me get back to the Ruml plan.

The CHAIRMAN: Order. I must inform the hon. member for York-Sunbury (Mr. Hanson) that there is a point of order raised by the Minister of Finance (Mr. Ilesley).

Mr. HANSON (York-Sunbury): He did not raise it. He said he was going to, but he did not.

The CHAIRMAN: Oh, yes.

Mr. HANSON (York-Sunbury): With all respect to the Chair, he did not raise it.

Mr. MARTIN: It really comes under No. 6.

Mr. ILSLEY: Shall we get rid of the point of order? The amendment is this:

That section 1 of the present resolution be amended by adding the following words:

"Provided that in the case of a married person with four or more dependents or any person granted an equivalent status under the act, whose earned income is less than \$3,000 there will be no income tax liability in respect of the taxation year 1942."

Under the present tax schedules the taxpayer with \$3,000 income and having four dependents pays a tax of approximately \$225, and in the majority of cases he has probably paid already about fifty per cent of that. The resolution proposes the forgiveness of the other fifty per cent.