

minister in the Department of Customs and Excise. So that, instead of saying "Commissioner of Customs" and "Assistant Commissioner of Customs," the bill will use the terms "Deputy Minister of Customs" and "Assistant Deputy Minister of Customs." With regard to the second amendment, in the schedule to the act respecting the Department of Customs and Excise—the act relating to the two departments of Inland Revenue and of Customs after their fusion—it is provided that the Department of Customs and Excise should, under the various acts concerning taxation, assume the control and management of the collection of customs duties as well as the control of all matters incident thereto. These various matters comprise the collection of the duties of excise and stamp duties, the preparation and issue of stamps and stamp papers, except postage stamps, and all internal taxes, not including income tax. We are asking now that the words "not including income tax" be stricken from the schedule so that henceforth all internal taxes shall be collected by the Department of Customs and Excise. Of course, all taxes having reference to postage, such as the stamps that are put on letters or post cards, are collected by the Post Office Department. The 1 per cent on circulation is collected by the Department of Finance and could not very well come under our control; and the same thing applies to insurance, which is collected by the Department of Insurance, which is a branch of the Finance department. If I remember rightly, the trust and loan companies are also under the control of the Department of Finance. The object of this legislation is to obtain if possible the same results that were achieved when the departments of Customs and Inland Revenue were merged. Before the fusion of these two departments there were in every port two distinct sets of officers: There were a Collector of Customs and a Collector of Inland Revenue and a Deputy Collector of Customs and a Deputy Collector of Inland Revenue. The change was inaugurated in 1921, and it was only last year or possibly this year that the machinery has begun to run smoothly. It is hoped, not without good reason as I believe, that a considerable economy will be effected.

The income tax and the war profits tax—the latter is no longer in operation but there is a lot of money to be collected yet under it—are different propositions, as I shall explain. Let us take for convenience sake the ports in the province of Quebec, which province is better known to me. In the province of Quebec we pay income tax at two centres. The

province is divided into the eastern and the western sections, and from the St. Maurice river or Three Rivers, the district I have the honour to represent in this House, we pay in Montreal, while east of the St. Maurice all payments are made in Quebec city. Let us take the St. Maurice region including Three Rivers; there is a port at Three Rivers itself, one at Shawinigan Falls and one at the city of Grand Mere. The idea is to train the customs and excise officers in these places,—just as we have already trained the inland revenue men—in the inland revenue business, and vice versa; the object being to subdivide the work and so make it more economical. We want these officers also to become better acquainted with the people who are infringing or attempting to infringe the law. It seemed to me when discussing the matter with the officials of the department that men residing at Three Rivers would naturally have a better knowledge of the income which any man would enjoy at that place than could men who were employed in either Quebec or Montreal and who would not know local conditions.

The Department of Customs and Excise has auditors who go around and examine the books of those who are liable to sales tax to ascertain whether or not they have paid the tax. The Department of Finance also has auditors who go around and examine the books of men who pay income tax to ascertain whether or not they are paying their full share of the tax. We think that one set of auditors could do this work.

Third, we seek the creation of a board, the purpose of which will be to act as advisers and as investigators to try to simplify, if possible, the system of taxation and the system of collecting taxation. Until the war the taxes we paid were not visualized as they are to-day, when we have to write out a cheque for sales tax or income tax. In those days we paid our taxation by way of customs duties collected at the border and included in the price of the goods we purchased; similarly excise duties on spirits or tobacco were paid at the bonded warehouse and included in the selling price of the article. But since the war we have to pay the stamp tax, the sales tax, the income tax, the business profits tax, and so on. We are constantly receiving complaints from taxpayers who think that we are not following the proper principle in imposing and collecting these taxes that have been imposed to meet the war debt. We propose to have this board inquire into all systems of taxation, to make a study of how taxes affect the individual, industry and the