

him with the very heavy penalties which are being imposed by this law? Give him a chance to make his report and if you do so then I will call him back to my office and say, "Now is the time to make your report. Make your report and tell your friends in your parish, and in the next parish and everywhere, that they have to make reports—that the Government has afforded them the opportunity of making reports without being strangled." They will make their reports accordingly and in future the law will run smoothly. If a man who has once made a report should not continue to report he will be in bad faith, there is no question about it. But when it comes to making the first report, and when we come across a man in such a case as I have mentioned, I think the Government should afford him an opportunity to make his reports. In the meantime I say to the minister this is one of the reasons which prevents the collection of other taxes, because these people are afraid to make their first report for fear they will be called on to pay penalties in respect to it. I want it well understood: they do not refuse to pay for the past year, but they are afraid of the very heavy penalties to which they will be exposed the very moment they make their first report.

Mr. CROTHERS: I was very glad to hear the Minister of Finance state that he would welcome any suggestions that might improve the methods of collecting the income tax. I think the great majority of the people regard an income tax of any sort as an unwelcome visitor; and it is doubly unwelcome if the provisions are so complicated that the ordinary man does not understand how the sum that is required to be paid has to be made up. We have three statutes, or portions of statutes, in operation in regard to the income tax, and I suppose we will have another this session, which will make four. We have now in operation the normal, the super tax and the surtax. The last has always seemed to me most absurd; it is not a tax on something that is coming in, but it is a tax on something we are paying out. That is, the normal and supertax are added together and there is a tax put upon the aggregate of the two sums, which is called the surtax. I do not know whether there is any such tax as that in England. There is not in the United States. They have two kinds there. What we call the supertax they call the surtax; there they have only the two kinds, the normal tax and the surtax.

[Mr. Denis.]

Now the system is very complicated as it stands together; the man of ordinary ability cannot make it out at all. I want to confess that with the figures from the Finance Department before me, and taking up the three statutes—1917, 1918 and 1919—I laboured a whole half day and I could not for the life of me make out from those three statutes the authority for the figures sent me—I have no doubt they are correct—from the Finance Department. Now the ordinary man cannot make them out at all. I have spoken to a great many on the subject and they have said, "The whole thing is so complicated I cannot understand it. I accepted the figures of the department and said no more about it." That is all very well. The Finance Department, I take it, have sent out correct figures, but I, for one, want to take the statutes and see how those figures are arrived at. I think every man would like to do that, but as the statutes stand to-day he cannot do it. There are so many amendments and sub-amendments, so many clauses and sub-clauses, that you cannot figure out the authority for the sum they say you owe. What is the proposition now? It is that a man who is liable to pay an income tax shall not wait until he is notified by the Finance Department of the amount of this tax, and it is thought that is going to simplify matters. I venture to say that instead of simplifying matters, the work of the Finance Department is going to be doubled. I don't believe that one man in ten will be able to make out correctly the amount he has to pay. I confess I am not able to do it with the three existing taxes, and with a fourth I shall despair entirely.

Mr. PROULX: Your income is too large.

Mr. CROTHERS: What is going to happen? A man will make out the figures in a way—he is obliged to do that, otherwise he will be penalized—and will send them in to the Finance Department; but I will venture to say that in nine cases out of ten the figures will be wrong and the Finance Department will have to prepare the figures over again themselves, thereby greatly increasing the work of the staff. I want to suggest that these taxes should be simplified so that an ordinary man can understand what is required. How can that be done? To-day a married man is exempt up to \$2,000. On the first thousand above that he is taxed 2 per cent, which is \$20. I am not objecting to that, perhaps it is all right, but on the amount over and above \$2,000, why not make it 2½ or 3 per