

Mr. JACKMAN: The minister says one could have started paying in September, 1940, and he would not have had the heavy load in 1941. But in 1941 we were still paying off the greatly increased percentages of the preceding year. We were always a year behind on this thing, and then we started catching up. I do not see how the minister can argue against the statement that the average citizen of Canada must pay two and a half years' taxes in two years. It must be so, because we were a whole year behind.

Mr. O'NEILL: For the past hour or so I have listened to the troubles of the business men. Now, if I am in order, I just want to call to the attention of the committee a matter in respect of the men who have to work. Many of them are paid on an hourly or piece-work basis. Take railway men, for instance. There may be one week, when a man on an extra board, when he may earn \$50, while the next week he may not work at all. For the week he makes \$50 he is taxed at a pretty high rate, but if business drops off or if there is not very much work in the locality in which he happens to be, which is probably the only place where his seniority will entitle him to work, at the end of the year he may find that he has paid taxes during several weeks or several months of the year but that during the whole year he has not made enough money to put him in a taxable bracket. How are you to arrange to pay that fellow back? At the present time there are in this country men who have had the national defence tax taken away from them since January, 1941. At the end of 1941 they were not in a taxable bracket, but they have not had their money returned even yet. In some cases the government has held that money for more than two years. In a great many cases these men have not even had replies to their letters, let alone refunds of their money. I am wondering what sort of arrangement is to be made. I am not so much blaming the government, but I am trying to call their attention to the fact that these conditions exist among the working classes of this country. Something should be done to make an arrangement under which they will not have to wait an unnecessarily long time, because, as the minister has said, if a man pays too great a tax there is no interest rate when he gets his money back; but if he is slow in paying, a penalty is certainly attached. Something should be done so that one would not wait an unnecessarily long time.

Amendment agreed to.

Resolution as amended agreed to.

[Mr. R. B. Hanson.]

2. That in respect of the taxation year 1942 one-half the liability of taxpayers, other than corporations, under subsection 1 of section 9 of the Income War Tax Act in respect of investment income in excess of \$3,000, shall be deferred and shall not be due until the date of death of the taxpayer.

Mr. ILSLEY: I wish to move in amendment:

That resolution No. 2 of the resolutions to amend the Income War Tax Act be amended by adding thereto after the words "death of the taxpayer" in the last line thereof the following words: "Provided that such liability may be prepaid by him during his lifetime in a lump sum before April 30, 1944, at a discount, the discount to be calculated at the rate of 2 per cent per annum on the basis of a table of life expectancy to be approved by the minister."

Mr. HANSON (York-Sunbury): That amendment does not help much; it depends upon whether you live or not. However, I shall not discuss that aspect of it. I am wondering why in the first place there is a line of demarcation with respect to investment income below \$3,000. Is it on the theory that these are rich people, and that, therefore, they can pay? I say that is putting a penalty on thrift. I commend to the minister an editorial appearing in his favorite home journal, the *Halifax Chronicle*, which, I believe, in season and out of season has supported him, and has supported his party for well over one hundred years. They are getting a little weary of this sort of thing, and I notice, too, that they have been critical of the government's war effort in days gone by.

I hold in my hand the issue of April 7, in which the leading editorial is entitled "Penalizing Thrift", and states:

For the most part the taxation aspects of the 1943 budget are good. Many unnecessary hardships have been removed.

I would pause here to say that there are a few still to be removed, among others being the question of taxation of annuities, to which I referred about an hour ago, and to which I hope the minister will give consideration.

Mr. ILSLEY: I answered the point last night, as a matter of fact.

Mr. HANSON (York-Sunbury): I was not here. What did the minister say?

Mr. ILSLEY: I said we wanted to do something, but that—

Mr. HANSON (York-Sunbury): I congratulate the minister, and I am glad to hear it.

Mr. ILSLEY: Well, the hon. member had better wait until I have said what I am going to say.