

Supply—National Revenue

Mr. McCann: February 28; for 1954 it would be February 28, 1955.

Mr. Barnett: Is there any reason why there should be a gap of two months between the end of the year and the time of filing these slips? I think that is probably the reason this problem has been created. Could not that deadline be moved up say to January 31?

Mr. McCann: You have to give the employer an opportunity to do this work. With the Christmas season and all that we do not think he has too much time. In fact some claim that it is not enough. A man cannot discount his refund until he has the T.4 slip.

Mr. Barnett: I have had some experience in making up payrolls, and with the type of records kept by most business firms I do not think two months from the end of December are needed in order to total up their payrolls. I know it may be nice to have this extra time, but is there any real reason why it could not be shoved ahead? I believe the employer could get in the slips just as well. There is a tendency on the part of all of us to leave these things go. I think the minister will agree that this is a most unfortunate situation. If the men had been able to get their full refunds a month or six weeks earlier than they were in fact getting them, the problem would not exist.

Mr. McCann: This is the first time I have heard a complaint from anyone that the time was too long. The average complaint is that it is not long enough. Take, for instance, the average taxpayer, any one of us. We have until the end of April. There are many people who cannot make it in four months and want longer. It is the same thing with reference to the returns from employers when they have to deduct from the wages at the source, send in the money and make the return for the year. Two months, in my judgment, is not too much. The majority of complaints have been that it is not long enough.

Mr. Barnett: I quite agree that the majority of complaints received would have been along those lines. I know perfectly well how easy it is for time to slip by during that interval, but I should like to ask if the minister would have his department give serious study to this question.

That was a serious situation. As far as I am able to perceive from the report the minister has given and the study I have made of the situation, it was the time lag that created the problem. If the deadline date were moved up, then it would be entirely on the responsibility of the individual taxpayer as to when he was getting a refund. I feel that two

months is an unnecessarily long time. I hope the minister will take that under consideration.

Mr. Nicholson: When this item was before this house a year ago in the closing hours of the session, the hon. member for Winnipeg North Centre raised a case in connection with a case in the United States. Nine men were apparently indicted in the United States for evading \$16,400,000 in United States income tax. It happened that three of those men were Canadians. They were Isadore J. Klein, Albert McLennan and George Norgan, all of Vancouver. These three and the brother of one of them seemed to have tumbled on a very fortunate device in 1944. They each put \$1,000 into the kitty and in the course of 10 years apparently, under the name of United Distillers, their investment of \$4,000 pyramided to something over \$20 million.

When the item was before us last year the Minister of National Revenue intimated that his department was on the lookout for these gentlemen and had collected a good deal. The hon. member for Winnipeg North Centre suggested that in the light of the very serious problem in the United States, the Department of National Revenue might review its file to see whether the Canadian exchequer might be enriched. Could the minister make any statement as to whether he acted on the suggestion of the hon. member for Winnipeg North Centre?

Mr. McCann: Just to the effect that every cent owing to the Canadian treasury in taxes from that particular case has been paid.

Mr. Nicholson: Would the minister go a little further? The hon. member for Winnipeg North Centre discussed the matter a year ago. Could the minister indicate whether any additional funds have been collected on this account that was before the United States courts at the time? It seems to me that \$16,400,000 was a very large amount of tax. The hon. member for Winnipeg North Centre thought the minister could have another look at that question to see what action had been taken. On page 6595 of *Hansard* for last year the hon. member for Winnipeg North Centre made what appeared to be a reasonable suggestion.

Mr. McCann: You are referring to United States tax. I do not know whether or not that has been collected. I have made sure that the Canadian tax was collected.

Mr. Nicholson: No. The minister admitted a year ago that he was quite familiar with the case when he said:

Would it satisfy the hon. gentleman if I told him that as far as the Canadian taxpayers are concerned, returns have been made, assessments