

of an ordinary county, and if an official of that county were to administer the Act, he could from his own knowledge, and from a search at the registry office and an examination of the assessment rolls and by other inquiry, ascertain the name of every person in that district who was liable, or nearly liable, for the income tax. Then he would issue a notice to all such persons to come to his office on certain days, bringing all their information, and there with his assistance they would make up a statement of the tax they should pay. When the amount payable was ascertained the individual should be called upon to hand in his cheque within ten days, the return being subject to correction at the Finance Department. If he had overpaid, the amount of the excess would be returned to him; if he had underpaid he would be called upon again. That inspection and assessment could be made in the early part of the year while the taxpayer's memory was fresh as to the operations of the year past, and the money would be paid promptly by the first of July on the assessment of the previous year. I do not know whether there is any merit in this suggestion or not. Of this much I am sure, that a very large amount of money is being lost to the treasury; that the owners of whole areas of successful farms which in these latter days with fruit-growing, the growing of clover seed, and all that sort of thing, are earning ordinarily an income of \$5,000 or \$6,000, have never been called upon, and the inspector does not know that such men are in existence, unless he goes from house to house and makes inquiries. But the local man, with local information, who has moved about in the community for a long period, perhaps all his business life, can pick out such men. I venture to say that in one inspection district with which I am somewhat familiar I could name one, two, three, or four men—bank managers who have been in the locality for very many years—who have in their office a credit list and could name the men who are near the taxable point. I offer these suggestions to the minister, and to the very able administrator of this Act for their consideration. As I am sometimes in the wrong, it may be that I am wrong in this case. At the same time I offer this suggestion with some knowledge of what I am speaking about.

Hon. Mr. FOWLER: Honourable gentlemen, I think there is a good deal in the suggestion of my honourable friend from Simcoe (Hon. Mr. McCall) that the districts are altogether too large. I would go

further: I would make another subdivision: I would subdivide down to the school districts. I venture to say that at least one-half the amount that might be procured if there were a proper levy of this tax is lost at the present time. I know that in the town in which I formerly lived there are men who, I am satisfied, have never made returns and whose income is very much in excess of the tax exemptions. If you utilize the school collector, he knows approximately the income of every man in his school district. It would cost a very small amount to utilize his services, and you would find that in that way a very large amount would be collected. In the interest of the country generally I would be very glad to see the services of these men utilized. It would, I think, increase very largely the amount of money that would be collected. It has a very—what shall I say?—maddening effect upon the man who is honest enough to make a true return of his income and to pay his taxes, to know that many of his neighbours are getting clear. There is nothing that causes greater unrest or a stronger feeling against this whole system of taxation than that. Everybody whose opinion is worth anything realizes that the country is involved in a very heavy liability, and that the people must pay it; and the honest man is willing to pay what he is properly called upon to pay. Of course, he does not want to pay any more than he ought to pay, according to the amount of his income; and when he knows that there are men who are escaping and that apparently the Government is doing nothing towards bringing them into line, he says: "By George, I will try to get clear too." That is the way it works out. He does not realize that this is a new thing and that it cannot be done perfectly at once—that it will take years to perfect it. I think the suggestion of the honourable member from Simcoe is a very good one, and I hope that the Government will take advantage of it.

Hon. Mr. DANDURAND: Honourable gentlemen, I have had occasion to place on record my opinion as to what would be the proper policy to apply in this country in the levying of the Income Tax. I will repeat it in a very few phrases. We shall never have a satisfactory collection of Income Tax throughout the land until the Act is amended so as to force every man to make a return to the Government. The labourer, the farmer—everyone who