

active legislation to that which has already been enacted. When we enacted this legislation in 1916 it was made retroactive because quite large profits had been made in speculation or otherwise in the previous year and a half since the outbreak of the war. That retroactive feature was objectionable, but Parliament enacted it. This does not add in any way to the retroactive aspect of the legislation.

Mr. PEDLOW: From a ruling I received a short time ago, I understood that each accounting period, that is, each financial year, stood on its own basis. This resolution speaks of a five-year period and not each accounting year. I would like to have a ruling on that point, because a man might have an enormous profit one year and be assessed and then next year he might have a loss. Is it the intention of the department to make the assessment over an average of five years?

Sir THOMAS WHITE: No, each accounting period stands upon its own basis. We are dealing with the accounting periods over which the legislation extends and not the accounting period in connection with any business. If this legislation is adopted, as has been the case in previous legislation respecting the Business Profits War Tax Act, all parties will be in the same position so far as accounting periods are concerned.

Mr. PEDLOW: This means that even if a man has paid his income tax for 1917 the department can go back to 1914 and exact a statement from him for 1914, 1915 and 1916, and collect taxes under this legislation.

Sir THOMAS WHITE: Not unless he was taxable before. If a man started a business in 1917 he would not be taxed in respect of 1915 and 1916, because he was not in business in those years. But if a man was in business in 1915 and 1916, but was not assessed, then, if found to have been liable, he would be subject to assessment for the previous years.

Mr. PEDLOW: Notwithstanding the fact that he was not assessed before?

Sir THOMAS WHITE: Notwithstanding that fact because he did not pay what he should have paid.

3. That the word "commencing" be replaced by the word "ending" in the proviso to section twenty-six as enacted by chapter ten of the statutes of 1918.

Sir THOMAS WHITE: That was a typographical error last year which completely reversed the intention of the Government

[Sir Thomas White.]

and Parliament in respect of the Bill. We are correcting it this year.

Resolved, That it is expedient to amend the provisions of The Income War Tax Act, 1917, as amended by chapter 25 of the statutes of 1918 and to provide,—

1. That income liable to taxation shall include the salaries, indemnities or other remuneration of members of the Senate and House of Commons of Canada and officers thereof, of members of Provincial Legislative Councils and Assemblies, of Municipal Councils, Commissions and Boards of Management, of any Judge of any Dominion or Provincial Court appointed after the passing of this Act, and of all other persons, including those whose salaries, indemnities or other remuneration are paid by His Majesty in respect of His Government of the Dominion of Canada, or of any Province; excepting therefrom the income of the Governor General of Canada.

Mr. CAHILL: What amount of income tax was collected last year, and what did it cost the country to collect it?

Sir THOMAS WHITE: The total number of assessments up to June 17, 1919, was 46,176, and the amount of assessments approved was \$11,000,000 in round figures. The number of assessments paid was 39,000 and the amount of assessments paid was \$9,000,000 in round figures. I have not the precise cost, but together with the business profits tax administration, the cost will be about \$400,000, that is to say, for the administration of the two. I am unable to separate them.

Mr. CAHILL: Are they kept separately at all, or are they combined?

Sir THOMAS WHITE: The expenditures are not kept separately because they are administered to some extent by the same office.

Mr. LEMIEUX: Have there been any appeals?

Sir THOMAS WHITE: Notices of appeals have been received in some cases under the income tax. With regard to the business profits tax, usually, after an investigation, we have been able to make an assessment that is accepted, and thus an appeal is avoided.

Mr. J. H. SINCLAIR: How many parties made returns?

Sir THOMAS WHITE: About 150,000, the majority of them not assessable.

Mr. ROBB: During the debate on the Address there was an expression of disappointment at the amount collected from the income tax, and that brings us back to the proposition submitted from this side of the House when the Act was first intro-