

reason that deters a great many people from making the returns themselves is that they cannot determine exactly the sums that ought to be given in as gross profits. I think the majority of people desire to do what is honest and fair, but they are perplexed, and often abstain because they are unable to determine exactly what the tax ought to be that they are to make up. Then some firms have to employ additional clerks to go through their books and estimate exactly what their profits have been. Furthermore, I could mention many instances of officials themselves being so puzzled that they are unable to determine exactly what the tax should be; and if those men who are experts and who have been instructed in connection with the Act cannot determine on the spot what a man should pay, how on earth can a man make up the return when he has no assistant and is not a lawyer?

Hon. Mr. DANDURAND: I think my honourable friend is quite right in speaking of the difficulty of a taxpayer making his way through the intricacies of the law which make him feel more and more the load he is carrying in money. Once he has succeeded, after three or four attempts, in reaching the figure, he has sworn so much at the intricacies of this law that he has but a moment left in which to sign his cheque.

Section 1 was agreed to.

Section 2 was agreed to.

On section 3—understating true amount of income:

Hon. Mr. BOSTOCK: This simply repeats?

Hon. Sir JAMES LOUGHEED: I think this is superseded by the former section.

Hon. Mr. BOSTOCK: It is subsection 8 of section 7 of chapter 49 of the statutes of 1920. Subsection 8 reads:

Any person liable to pay any tax or surtax under this Act, who in return of the income liable to taxation, makes a return in which he states the income to be less than the true amount, shall pay to His Majesty the additional amount of tax and surtax due on the income omitted from his return and, in addition, interest at the rate of ten per centum per annum upon such amount from the last day prescribed for making such return until the same is paid.

If the amount of the income omitted from his return exceeds ten per centum of the correct income but is under twenty per centum of the same, such person shall pay to His Majesty an additional amount equal to one-half of the amount of such deficiency, and, if the

Hon. Mr. ROCHE.

deficiency amounts to twenty per centum or more of the correct income, such person shall pay to His Majesty an additional amount equal to the amount of such deficiency.

So they are all struck out?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. FOWLER: Then there is no penalty at all.

Hon. Sir JAMES LOUGHEED: It is reduced to 5 per cent.

Section 3 was agreed to.

On section 4—failure to comply with demands:

Hon. Mr. BOSTOCK: Can my honourable friend state what that amendment is? I have not the Act of 1917 here, and I cannot make it out. There is nothing in the statute of 1919 that throws any light on it.

Hon. Mr. POWER: While the honourable leader of the House is forging the weapon that he proposes to use presently, I may be permitted to express my great gratification at the fact that the Government have decided that our income law needs to be revised and improved. Every honourable gentleman here, I think, and perhaps some very astute lawyers, will feel that it is a very important matter to be relieved of the necessity of carrying out the law as it stands at present. The truth is that the ordinary man—I could say an ordinary member of this House, and certainly the ordinary outsider who is not a skilled accountant—would require to employ an expert in order to enable him to make up his statement. One may be perfectly honest and anxious to tell the truth, the whole truth, and, of course, nothing but the truth; but it would puzzle, as they say, a Philadelphia lawyer to tell from looking at the law as it stands now just what one should put in. It is very gratifying to know that the Government have realized the position, and have submitted this Bill, which, I hope, will be much easier to interpret than the present law.

Hon. Mr. CASGRAIN: I do not think the trouble is to know what to put in, but what to leave out.

Hon. Sir JAMES LOUGHEED: The fine was \$100 when certain default was made. This reduces it to \$25.

Hon. Mr. BOSTOCK: So, when one gets at it, it is a very simple amendment. I