

general objectives which the Senate committee, under the chairmanship of the honourable senator from Waterloo (Hon. Mr. Euler), reported as being desirable, and to indicate how far those objectives have been attained in the bill now before us.

In the first place, the committee urged the provision of cheap, easy and expeditious machinery for appeals by taxpayers who feel themselves aggrieved. This is accomplished by the setting up of the Income Tax Appeal Board under the provisions to be found in division I of the new Act at sections 76 and thereafter. This board is to consist of not less than three and not more than five members. The important factor is that an appeal can be lodged before the board upon deposit of as little as \$15. Honourable members will recall that in the special committee one of the greatest complaints heard against the present Act was that the Exchequer Court of Canada was the only independent tribunal for hearing an appeal, and in order to make an appeal to that court a taxpayer had to give security to the extent of \$400, a sum beyond the means of many people with small earnings in this country. It is true that provision for this Income Tax Appeal Board first appeared in the budget legislation of 1946, but the board was not appointed. This year the salaries of the prospective members of the board have been increased. All one can say on this branch of the subject is that the bill now before us does contain a satisfactory provision for appeal, as urged by the Senate committee. I venture to hope that there will be no further delay and that the Board of Income Tax Appeals will be appointed forthwith.

The second objective which the Senate committee considered to be desirable was that the income tax law should be simplified and clarified. I repeat those two words—simplified and clarified—because they do not mean quite the same thing. I think the draftsmen of this measure have succeeded in clarifying the legislation, but I doubt whether they have been able to make it any simpler. I think we have got to admit that in our modern complex civilization you can only have two kinds of income tax law: it can be simple or it can be just, but it cannot be both. Let me give an example of the sort of thing I mean. I suppose the simplest kind of income tax law would be one which declared that every citizen of the country should pay ten per cent of his income to the government. That would be simple, but I doubt whether anybody would say that it was just.

Hon. Mr. HAYDEN: I am sure a great many people would say it was just.

Hon. Mr. HAIG: The majority would.

Hon. Mr. ASELTINE: I would be satisfied.

Hon. Mr. PATERSON: So would I.

Hon. Mr. HUGESSEN: I think my honourable friends are the exceptions that prove the rule. A great majority of people when faced with simple income tax of that kind would begin to have these considerations in their minds. Firstly, they would say it is not just that a man with an income of \$2,000 a year should pay tax at the same rate as the man with an income of \$20,000 a year. Therefore you would put into your law a graduated scale of rates. Then you would consider that a man with a wife and family has more obligations to fulfil than a single man without a family. Therefore you would put into your law provisions for a larger allowance to the married man and an additional allowance for each child that he has to support.

Hon. Mr. HORNER: May I ask my honourable friend—

Hon. Mr. HUGESSEN: I would say to my honourable friend that it is rather difficult—

Hon. Mr. HORNER: I would just like to ask my friend how a single man can marry when he is taxed to such an extent that he is unable to build a house.

Hon. Mr. HUGESSEN: It is rather difficult to explain this complicated bill, and I would appreciate it if honourable senators would wait until I have finished before asking questions.

Then you would begin to say that there are other people who have the same obligations as a man with a family—widows, widowers, and people supporting children who are their relations. So you would put in a provision to give them the same sort of allowance as you give to a married man. Then you would say that perhaps it was only fair that a man who derives his income from inherited wealth should pay a little more tax than a man whose entire income is derived from his own exertions, and you would put an additional tax on investment income. Then you would consider whether it would not be advisable in the public interest to encourage people to contribute to charities, and you would provide that a certain proportion of income, if given to charities, would be tax free. Then there are certain people with whom we are all in sympathy, such as the blind and aged, and you would make special provisions in favour of them. Again, some people are extremely unfortunate in that they have unusual medical expenses to meet in the course of the year, owing to the illness of themselves, their wives,