

My principal objection, however, is to subsection 7, and I think we should have more time to send in the return so as not to have two taxes coming in at the same time.

Hon. Mr. EDWARDS: It seems to me the most serious part of this Bill is subsection 7, which practically enforces the payment of two years' taxation in one. I think it will not only be difficult, but many people will find it impossible.

Hon. Sir JAMES LOUGHEED: I do not know how my honourable friend makes out that it will require two years' taxes to be paid in one. The assessment will be made in November, 1919, for 1920.

Hon. Mr. DANDURAND: We paid this spring the 1918 tax, and we will pay the 1919 also.

Hon. Sir JAMES LOUGHEED: Then, for 1920 the returns will be made in April.

Hon. Mr. BOSTOCK: The tax has to go in at the same time.

Hon. Sir JAMES LOUGHEED: One-fourth.

Hon. Mr. BOSTOCK: And you have to pay interest on the balance.

Hon. Sir JAMES LOUGHEED: If there is anything for which provision should be made it is to expedite those payments. The Government has been attacked in every possible direction. Complaint was made that they had been remiss in placing in motion the proper machinery for the collection of this tax, but they no sooner do that than they fall under the criticism and censure of honourable gentlemen.

Hon. Mr. EDWARDS: I do not want to impede this measure in any way but if the past practice prevails hereafter—the 1918 taxation, for instance, was not payable till 1919—I assert that when you make the return for 1920 you will pay your taxation for two years in one year. I do not think that statement can be contradicted.

Hon. Sir JAMES LOUGHEED: It will be all right after that.

Hon. Mr. SMITH: If there is anything in this Bill for which I commend the Government it is this particular section. They have lost millions of dollars during the existence of this Act because they have not collected the money promptly. As to the argument of the honourable gentleman from Ottawa (Hon. Mr. Edwards), it seems to me that the taxpayer ought to be very

Hon. Mr. PROUDFOOT.

well satisfied that he has had the Government to carry his taxes for him for a year for nothing. He might be well content to pay two taxes at one time. He only has to pay 25 per cent down, but in any case he has had the use of the tax money for a year, which he ought not to have had. Moreover, there is a very strong suspicion throughout the country that there are thousands of people like the person my honourable friend from Montreal (Hon. Mr. Boyer) spoke of a few moments ago, who had not paid their taxes and had not made any return. The Government have lost the use of that money, though they will no doubt collect it some day. This man who has escaped paying his taxes will suddenly find he has to pay them; but in the meantime the Government has been done out of the use of that money. It seems to me this section is an admirable one, as it will compel the prompt payment of taxes, and secure for the Government the use of the money.

Hon. Mr. McCALL: I have an observation to make on this Bill, and I do it with the more pleasure because the able administrator of this Branch is present. Reference has been made to the difficulty of making up returns. I have a case in mind of a medical man who derives income from his practice, against which he can set off his expenses; he is also interested in a drug store, from which he gets some profit; he owns a farm, from where he derives some profit; he is interested in a little fruit ranch with a poultry attachment; and he has some money at interest. I doubt if that man is able to get assistance in his own locality that will enable him to make up accurately all the sources of income and make his return properly. I will say further, with some modesty, that I believe the method of inspection and collection can be improved. If it is left to the honesty of the individual, he may not always make his return. There are in this country people who are isolated. I have in my mind now the case of a lone widow who has a lot of money. She says she never heard there was an income tax. She knew that the assessors of the township had asked her if she had any income. She may know of the income tax by this time, but she did not know quite recently. There are cases of that kind. Then there are people in some doubt whether they ought to pay income tax or not. I would suggest that if the inspection district were made smaller—were made to include the limits