

Year after year they are told that a simplified form will be provided, but when the form comes out it is more of a mystic maze than ever. I believe that an easier and better way of collecting income tax could be devised for our industrial workers. Many who since the war began have been forced to make out income tax forms never before had to deal with government, and when the order was issued that on such a day the return must be in, they were worried and bothered. The same trouble occurred in the United States, so that recently they simplified the collection of income tax from those who pay on an income of \$5,000 or less per year. In the *Monetary Times* of July, 1944, is an article on the tax simplification measure which has been passed by the United States Congress. I quote a clause on page 73 which I think is interesting and to which the government could well give attention with a view of trying to work out some such system here:

It is in the handling of taxes on wages and salaries the greatest simplification has taken place. An individual earning up to \$5,000 a year, with \$100 from other sources allowed, will have his total tax withheld at the source of income. He will be permitted to claim a flat deduction of 10 per cent to cover donations to churches, charities, et cetera. At the end of the year he will receive from his employer a statement showing his total earnings and the amount of tax deducted. The individual will put down on this paper his marital status and dependents and whether he had earnings from other sources. Total income and tax deductions will be set out. The statement will be sent to the treasury department and the officials there will do the calculating. If he owes the government additional taxes he will be billed in thirty days. If too much has been deducted he will get a refund.

Now that compulsory savings has been done away with it may be much easier to simplify the income tax return, because taxpayers will not have to cite their various insurance policies and so on. If there is one object at which the Department of National Revenue should aim, it is the simplification of these returns. At the present time they are a headache to the people who have to fill them out, and also to every branch of industry, because office staffs are kept busy making out returns for their employees.

Let us deal for a moment with the question of compulsory savings. In his budget speech the other day the Minister of Finance said that the decision not to continue compulsory savings would be a great boon to industrial workers and others, and he pointed out that there would be more money in the pay envelope. It looked to me like a subtle attempt to bribe the industrial workers of this country with their own money. If he wished to do

[Mr. Homuth.]

something effective he should have reduced the income tax rate, and then the compulsory savings could easily have been kept going. But the workmen in the factories are not going to be misled into supposing that they are getting something from this government; all that has been conceded to them is money which they would have eventually received any way. What they are interested in, and the one thing they are interested in, is the rate of income tax. In supporting the amendment of the hon. member for Dufferin-Simcoe (Mr. Rowe), I express the opinion that every hon. member who represents an industrial riding believes as we do, that there should be an exemption at the very least up to these amounts, and that in that way we would be able to encourage our industrial workers to work more hours and get much greater production.

Here we have a cry going up from the Department of Munitions and Supply for thousands more men to go into the shell factories and the shell filling plants because it is found suddenly that there is a greater need for shells than was anticipated. Well, where were they going to get these men? At the same time, the selective service was calling men from the farms and factories, and so these men were removed from one industry to another with the result that the whole industrial picture of the country was disorganized, until to-day industries that are working on necessary military production have in many instances reduced production by fifteen, twenty, and twenty-five per cent. If there is one thing that has caused disorganization it is the manner in which the whole man-power policy has been handled.

I realize apparently men are needed for the army—not from anything in particular that the Minister of National Defence (Mr. Ralston) has told us in the house as to requirements for the army, but certainly his officers who go from one end of the country to the other, and the advertisements that have appeared in the newspapers of the country, which must cost a very considerable sum of money, have made it known only too well how badly men are needed for reinforcements for overseas. Yet at the same time we keep calling men from the farms and from necessary industrial jobs and sending them into this home defence army. I do not think the people of Canada will ever forgive this government for the way in which they have handled the whole man-power situation.

Mr. MITCHELL: We are not calling men from the farms.