

put into practice, would the farmer be absolved from the duty of deducting his tax at the source from his employees and the making out of those returns, or would you still require him to fill out T.4 of the salaries and wages which he pays?

Mr. HANNAM: We are not very definite about that. That thing is, though, that many farmers just do not keep records, and unless it was made a very simple return—well, you would likely just not get it.

Mr. STIKEMAN: T.4 is a simple return. I think your point is that the farmer wishes to be relieved of the duty of appearing to be a tax collector?

Mr. HANNAM: Yes.

Mr. STIKEMAN: He would have no objection to continue to send in returns to the authorities in order that they may make the collection if they can catch up with it?

Mr. HANNAM: In a previous presentation we made to the Minister of Finance we said we would be prepared to have a farmer report his payments, and so forth. On the other hand, at this time we are suggesting that the responsibility be placed on the employee to make his own return.

Mr. STIKEMAN: Do you consider that the T.4 return, or the return reporting wages paid employees, is in its present form too complicated for the average farmer to fill in?

Mr. HANNAM: No.

Mr. STIKEMAN: You think the present form might stand?

Mr. HANNAM: I do not think there would be serious objection. If there is any particular advantage to file the information with the Income Tax Department I don't think the farmers would object.

Mr. STIKEMAN: In other words, deduction at source raises in the farmer's mind an objection which is psychological rather than practical, in that he dislikes being put in the position of collecting tax from his employee?

Mr. HANNAM: No, it is a very practical objection. Are you speaking of the deduction or the reporting?

Mr. STIKEMAN: They are both the same operation.

Mr. HANNAM: The reporting is quite a different matter from the tax deduction. The tax deduction from the employee on the farm with the necessary forms that are required of a business man,—that is really very impractical so far as the farmer is concerned. The tax deduction, unless it is made general and applies to all farmers, is very unfair to the conscientious farmer who does make the deduction. Very often if he does make the deduction he has got to raise his employee's wages accordingly; if he does not he loses his help to the man who does not. There are just half a dozen angles, all of which just seem so completely impracticable and, as it is working out to-day, very inequitable to some farmers.

Mr. STIKEMAN: Would the objection be met in the main if the farmer were not required to deduct taxes at source, and not required to file remittance returns, but were still required to file one showing the amount he pays?

Mr. HANNAM: I do not believe there would be serious objection to the farmer reporting the wages paid.

Mr. STIKEMAN: You said you do believe the T.4 form, which is the form the farmer would complete, is not too cumbersome or too complicated in its present form.

Mr. HANNAM: No, I would not say so.

Mr. STIKEMAN: When you make reference to the average dispersal sales of livestock, do I understand that those remarks should be limited to the dispersal sale by farmers who are not in the occupation or business of raising selling live-