

them realize that these taxes must be paid. Of these 120 actions, 40 are still in progress and may or may not go to trial, and 80 have been settled by the taxpayer paying everything he ought to pay in addition to all penalties and costs to date. Over and above that, police court proceedings to the number of 96 have been taken throughout the whole country with the same object in view, and out of them we have obtained 55 convictions, we have two acquittals, six cases standing on adjournments and 33 cases awaiting trial in the criminal courts.

Mr. PROULX: Have fines imposed by police courts been remitted to defaulters?

Sir HENRY DRAYTON: The department has remitted absolutely none, and, of course, that is not a matter for the department to do; that is entirely a matter of clemency on the part of the executive, and any action which might be taken would be taken through the department of the Solicitor General. My impression, although I may be wrong, is that none has been remitted. Certainly, if any fines have been remitted, the number would be very small, and such action would be taken only in exceptional circumstances. The fines collected in connection with these criminal prosecutions amount to \$33,000. My hon. friend (Mr. Denis) asks what the policy of the Government is. The policy is to collect taxes with the greatest possible celerity. The policy further is absolutely to enforce the provisions of the statute. The hon. gentlemen asks whether the penalties are imposed for delays. They are. Under the Act of last year, if the return is late the penalty is automatically added to the Bill. If anything has been overlooked, I can assure the hon. gentleman it is an oversight.

Mr. MACKENZIE KING: I think my hon. friend has somewhat mistaken the purport of the remarks of the hon. member for Joliette. I do not think my hon. friend from Joliette had in mind directing attention particularly to penalties or the enforcement of penalties. What he was anxious to ascertain was whether the Government has devised machinery that is complete enough to make perfectly sure that every person in this country who ought to pay an income tax does pay that tax, not for this year only but for the past one or two years, because it is pretty generally known that a good many people did not make returns in previous years. We are anxious to know what machinery

the Government has at the present time for securing payments that should have been made in previous years, and whether a special effort is being made in that direction.

Sir HENRY DRAYTON: Yes, we are making efforts in that direction. Undoubtedly the returns for the 1917 assessment do not represent the full amount payable, and for that accounting period we have since collected the sum of \$6,000,000, and we are following up every accounting period in the same way. Whenever a new citizen who ought to be a taxpayer is found, the tax is not limited to this present year, but is taken back to the very first accounting period. In every single list that I can think of, or that can be thought of—assessment rolls of municipalities, membership of clubs, automobile owners, stockholders in institutions, bondholders of companies, people who receive dividends from any source—all these are being made use of in order to find out who ought to pay the tax, and if we can make it more stringent we shall be happy to do so.

Mr. JACOBS: To give an example of the efficiency of the department, last year in the Budget debate I committed the egregious folly of saying the income tax was a joke. Well, within a very few hours I got my tax bill. This year hon. gentlemen notice that I do not complain of the income tax being a joke.

Mr. SHEARD: Is any provision made to cover cases of dispute between a taxpayer making his return and the department? For instance, a man might claim certain exemptions on account of taxes already paid, repairs to property deducted out of rents, and so on. It is provided here that a cheque for 25 per cent of the amount shall accompany the return. In case of a dispute is there any provision permitting that return to be subject to adjustment without penalty?

Sir HENRY DRAYTON: Cases of disputed assessment are taken up at headquarters, and the thing is checked over there again. If the matter cannot be adjusted in the light of the further information which head office is usually able to give the taxpayer then has the right of recourse to a court of revision, which he may have established at any time he likes. So far as the cheque is concerned, the idea at any rate is that while the taxpayer must make his returns promptly, an equal responsibility rests upon the department of immediately investigating the correctness of his state-