he owes, and he may pay either a fraction thereof or the whole. I would draw the attention of my honourable friend and the department to the great difficulty which most taxpayers will encounter in fixing the amount which they owe.

Hon. Sir JAMES LOUGHEED: Let us draw a distinction between the income and the tax itself. If a taxpayer makes a wrongful return as to income, then he is penalized, but not as to the tax itself; he may misapprehend what the rate is. The penalty extends only to his making a wilfully wrong return of his business.

Hon. Mr. DANDURAND: He may make such wrong return on the income because, with his limited knowledge, he cannot satisfactorily interpret the Act itself. We were asked to prepare a statement of our income, and of certain charges which should be deducted, if upon stocks, we have heretofore left it to the Government to deduct a fair percentage, which is now 5 per cent. A few months later we have received from the department a statement which they prepared, containing all the deductions and the additions that the department were pleased to make. I am quite sure that nine-tenths of the people received such a statement, and took it for granted that it was useless to look to the department for information, or to wrestle with the amount found; so they sent the cheque. What the taxpayers have done to this date may be taken as a fair sample. A certain amount of work has devolved on the department to fix the amount which the taxpayer had to pay. If the matter is left to the taxpayer, without any help from the collector of the income tax in the various centres, I am convinced that there will be glaring errors in three-fourths of those returns made to the department.

Hon. Sir JAMES LOUGHEED: What would my honourable friend propose?

Hon. Mr. DANDURAND: What I propose is that since the work which the department now assumes will fall upon the taxpayer, he should have the opportunity of going to the representative of the department in his centre, showing him his statement, and verifying his conclusions. If that is not done, I know the department will be involved in frightful entanglements, because people around me have been asking questions about this Act, stating that they would be absolutely unable to draw conclusions as to the amount which they owe, unless they went to a lawyer or a specialist.

Hon. Sir JAMES LOUGHEED: The Department has inspectors in almost every centre, and the public are not only invited but welcomed by the inspector for the purpose of his communicating to them all the information they need. In addition to that, literature is distributed to all taxpayers with the view of giving them all the information possible.

Hon. Mr. DANDURAND: I make these remarks because I feel that the public will be very much demoralized.

Hon. Sir JAMES LOUGHEED: No; we will look after the public.

Hon. Mr. DANDURAND: They have to face the threat of those numerous penalties.

Hon. Mr. MURPHY: There is no penalty.

Hon. Mr. PROUDFOOT: I see a further objection to subsection 7 of section 10, requiring the taxpayer to pay 25 per cent with his income return, and the balance in three equal bi-monthly instalments thereafter. The next tax will be payable in April, but he will not receive notice until October. On the 30th of April or thereabouts he will be required to make his return, and as the tax for 1920 comes due at that time he has to pay the 25 per cent on it, and if he does not then pay that 25 per cent he must pay 6 per cent on the balance of the instalments. It looks to me as though this would work a hardship by requiring people to pay two taxes at the same time. I think further time should be given for making the payment called for in this subsection. I understand the Department checks over the returns sent in, and after they have done so the taxpayer gets a statement showing whether he is right or wrong, and he will be asked to make good a shortage if there be one.

Hon. Mr. DANDURAND: Provided I am not penalized.

Hon. Mr. CROSBY: You will not be penalized.

Hon. Mr. PROUDFOOT: I think subsection 11 will interfere very much with the investment of money in this country. It points out that anybody in control of funds from non-residents is bound to make a return of the income and a tax on that money is to be provided for. If we are going to tax money invested in this country in that way we will find that people will not send money here for investment, and we will be very much hampered in securing money from outside as we have done in the past.