

Mr. MACDONALD (Brantford City): Can the minister tell us that?

Mr. ILSLEY: We shall have to discuss that when the bill is before us. The observations of the hon. gentleman will be borne in mind when the bill is being prepared. I do not wish to go into the provisions of a bill when it is not before us.

Mr. FRASER (Peterborough West): Can the minister tell us what interest rate will be charged?

Mr. ILSLEY: No.

Mr. FAIR: It seems to me that the committee is so badly cluttered up with lawyers that we cannot figure out where we are. I do not think they have figured out where we are. The Minister of Finance and the income tax commissioner are qualified lawyers, but it has taken the committee about two hours to find out about penalties and interest on underestimates of income. So far as the farmer is concerned, he cannot make any accurate estimate. Late in July or early in August he may consider himself to be a rich man and then wake up the next morning ready to go on the road.

Mr. MACDONALD (Brantford City): He does not pay his tax until the end of the year.

Mr. FAIR: His crop may be destroyed by frost or hail or something of that kind. There is no possible way for a farmer to estimate what his income will be.

Mr. GIBSON: Farmers are not included.

Mr. ISNOR: I should like to say a word along the line expressed by the hon. member for York-Sunbury.

Mr. HANSON (York-Sunbury): I am glad to have some support.

Mr. ISNOR: I can give some support, but I certainly cannot go as far as the hon. member. Form T.7-B applies to individuals whose income (a) is derived from carrying on a business or profession other than farming, (b) is derived from investment, or (c) is more than twenty-five per cent derived from sources other than salary or wages. The first payment of twenty per cent is due on March 31, and it is in connection with this that the question of interest or penalty is raised. Interest is payable in respect of late or insufficient payment. I do not believe that particular clause is new. We have always had to pay interest on underpayments. I contend that the department is justified in making this interest charge. Why should a business man with an income of, say,

\$100,000 for the current year not pay interest if, with a tax of \$20,000, he pays only \$5,000? If he had to borrow the \$15,000 from the bank to carry on his business he would pay interest, and I think he should pay interest if he withholds that amount from the government. As I say, I believe the department is justified in charging interest for insufficient payment.

I strongly urge the minister to take into consideration a readjustment, and I suggest that this readjustment take place at the end of the second period, namely, June 30. I say that because business men are not obliged to make their complete returns for 1942 until June 30, nor are they in a position, on account of the shortage of auditors, to have a clear picture themselves prior to perhaps April or May of the current year. I intend to speak of that later, or, if permitted, I include it at the present time, although, rightly speaking, it comes under resolution 4 or 5.

I ask the minister to take into consideration the plea raised by the hon. member for York-Sunbury last year in regard to private firms enjoying the same privileges as are enjoyed by corporations, namely, that the smaller or private firms, controlled by individuals, be not discriminated against in favour of a corporation, as occurs under the present regulations. Last year the minister accepted the suggestions of the hon. member along with others who supported him, and an amendment was brought in by which we were all treated alike. If that was sound last year it is equally sound and true now, but to a very much greater extent.

Mr. HANSON (York-Sunbury): Correct.

Mr. ISNOR: There are fewer accountants; businesses are more complicated, and more returns are required. Private firms should enjoy the same benefits or have the same period of time in which to make returns as corporations.

Mr. ILSLEY: If I may interrupt, we propose an amendment under resolution 4 changing the date from March 31 to April 30.

Mr. HANSON (York-Sunbury): I am very much obliged to the minister.

Mr. ISNOR: That is one month additional?

Mr. ILSLEY: That is right. It may not completely meet the desire of the hon. gentleman.

Mr. ISNOR: On behalf of the business men I extend thanks to the minister for going that far, but I still contend that the adjustment period might be extended to June 30 as far as the actual returns are concerned under