

culture; Dr. J. F. Booth, chief, economic branch, Department of Agriculture; R. F. Kennedy, editor, Montreal *Family Herald and Weekly Star*, as well as departmental experts.

Serving in an advisory capacity are: H. H. Hannam, president of the Canadian Federation; a French Canadian nominee Henri Bois of the Cooperative Federée, Montreal, and Doctor Drummond of the Ontario Agricultural College, Guelph.

The question I wish to ask the minister is, Has this committee submitted a report to him; would the minister be prepared to give a résumé of that report now, or would that report be available to members of this house?

Mr. GIBSON: The committee spoken of was set up by the Department of National Revenue in order to do whatever was possible to make it seem simple for the farmer to fill in an income tax return. A survey had been made among the farming community, and it was found that there was not an aversion on the part of farmers to paying income tax, but they did indicate that they were finding difficulty in filling out the returns. Now the department said, We are prepared to use any return that will meet the needs of the farmers, and if there are any suggestions that would simplify the returns formerly used we shall be glad to adopt them. This committee was set up and got in touch with the departments of agriculture in the different provinces, communicated with the farmers' journals and the various agricultural associations and received a number of suggestions as to how the form could be simplified for farmers. As I say, the department undertook to accept it if the committee could bring in a suggestion as to a simplified form.

After the committee had completed its work they brought out a form. It was a very complete form; it had all the items included so that the farmer could see exactly what he should include as income and as expense. But when we got the form set up it covered six pages. When some farmer members of parliament saw it they said it was far too complicated. Others who studied it thought it was a great improvement and recommended that it be put into use. Although a farmer might be frightened when he saw it they thought that when he read it through he would find it of great assistance.

Since that time we have brought out, or are bringing out, what is known as a simplified form. I do not know whether I should say that any form can be simple, but my staff has prepared a simplified form. It is simplified not in the computation of the income, but in the computation of the tax. It is considered that if a man knows what his income was he

can fill in the form and find out what his tax is in ten minutes. That form is applicable to farmers as well.

Mr. FRASER (Peterborough West): What does the minister mean by "to farmers as well"?

Mr. GIBSON: This simplified form is applicable to taxpayers with incomes up to \$3,000. Consequently it can be used by farmers who have incomes below \$3,000. It may be necessary to have additional pages that can be attached to assist the farmer in estimating his income.

Mr. MARSHALL: Does the minister mean net income of \$3,000, or gross income?

Mr. GIBSON: Net income of \$3,000. He may need some forms to assist him in working out his income, because I think that is one of the difficulties; sometimes a farmer does not know how to classify the various items as income, and he loses track of some of the things that should be included. At the same time I admit that often a farmer does not claim deductions to which he is entitled, such as depreciation. Consequently, if we can help the farmers in that way, I think the simplified form probably will meet their case better than putting out a six-page form which might frighten them off at the very outset.

Mr. MARSHALL: Are any of those forms available now?

Mr. GIBSON: They are not available yet, because the table which is included in the form must be approved by the house before the forms can be put out.

Mr. ROSS (Calgary East): The minister explained to the hon. member for Lake Centre the method of calculating the income tax on the basis of cash income. Is there not an alternative method by which the farmer can calculate his income tax? Has the farmer not the right, like the merchant or other business man, to value his assets, say as of January 1, 1942, and again value his assets as of January 1, 1943, with the difference representing his income for the year; and can he not pay on that basis? Is he not entitled to make out his income tax return on that basis?

Mr. GIBSON: The case to which the hon. member for Lake Centre was referring was on the cash basis. A farmer can go on the accrual basis if he wishes, and in that case he takes his inventory at the beginning of the year and again at the end of the year.

Mr. ROSS (Calgary East): He can do it on either basis?

Mr. GIBSON: Yes.