

Mr. HANSON (York-Sunbury): I agree, but I am speaking for the moment of companies. These people have been in a depressed business for years. They have kept their flags flying, kept their employees at work as far as they possibly could, and are doing a good job to-day in production, but they have never got to the point of knowing whether they are declared a depressed industry or not; they do not know what rate they are going to be allowed. Many of these companies have been through the wringer once; they cannot go through it again and live. Under the greatly increased taxation, companies which have just come through reorganization are at their wits' ends. The delay of the department is prejudicing their position; I will go further and say that it is prejudicing the position of the treasury in respect to subscriptions by these companies to the next victory loan. I am not going to follow that through. I did suggest that there must be an accumulation. Last year I made inquiries about this and to my surprise the minister told me there was no accumulation. If that is so, why all this delay? Nearly twelve months have gone by and these cases are not yet settled.

I referred to the question of income tax collection. The other day it was reported in the press of Ottawa that a crown writ of some kind had been issued against a night club in Hull—I was going to say *ne exeat regno*; it was an old writ that I had not heard of since I was a student at law. How many writs of that kind have been issued to collect a crown revenue? Here is a night club owing \$20,000. If I did that, what would happen to me? I know that they want to collect the taxes; of course they do. What are the arrears in 1941? How many individual income tax payers are in arrears? Are these individuals, partnerships or corporations? We ought to know the amount of arrears in relation to each. I am not asking for the names of individuals, but I want to know how much the taxpayers of the country owe the government for income tax arrears. We are entitled to that information. I may be all wrong about this but I have an idea that the people would be startled if they knew just what the position is. I should be delighted to learn that it is not as bad as I think it is, but I am rather fearful. In the meantime I am told on the form I signed and sent in on March 31 that if I underestimate my tax for 1943, by the will of a departmental official I am to be penalized.

Mr. ILSLEY: The hon. gentleman is indignant about the clause on the form which went out from the national revenue department regarding the March 31 instalment.

Mr. MARTIN: If the minister is going to discuss that now I think it should be open to the whole committee, because it really comes under No. 6.

Mr. HANSON (York-Sunbury): Yes, it really does, but it just came to my mind.

Mr. ILSLEY: Since it has been raised I think it is all right to discuss it now, and let everyone discuss it who wishes. We expected that the bill would become law before March 31. One reason why I was so anxious to have the budget resolutions and the act passed before March 31 was that I wanted to get this matter of income tax returns and the liability to make income tax returns on March 31 cleared up. Forms cannot wait; they have to go out. The notification on the forms that persons would be penalized if they underestimated the tax was unauthorized. I do not mean by the minister—I am not repudiating it; but it had no legal authority whatever.

Mr. HANSON (York-Sunbury): The minister is not seeking to take it off the shoulders of his colleague?

Mr. ILSLEY: I certainly am not.

Mr. DOUGLAS (Weyburn): The minister means that there was no statutory authority.

Mr. ILSLEY: No statutory authority, nor could we get statutory authority, nor could we get action.

Mr. HANSON (York-Sunbury): Why put it in the notice?

Mr. ILSLEY: The form is for the other three quarters as well; it does not affect the March 31 quarter alone. The house can deal with that matter when we come to the act. If this goes too far it goes too far, that is all. We must not get the idea that we are just playing, dealing with small matters here. These income tax proposals run into many hundreds of millions of dollars, and we have to make our plans; we have to get out forms, and do it in an orderly way. I introduced the budget, I thought, early enough to get it through by March 31, so that this whole matter would be dealt with. There would have to be some penalty. I do not know what the provision is in the act, but certainly it could not be left in this way, that any person could underestimate as much as he wished and not be subject to any penalty. That would mean that he need not pay anything until December 31.

Mr. HANSON (York-Sunbury): But you would charge him interest on it.