

tained. In connection with some incomes, that information could be easily and readily got at, and the bill went out promptly. In other cases, the bill went out perhaps only after a lapse of months, and in cases of incomes where investigations had to be made into excess profits earned by certain companies, such inquiries might last a year, and the bills would go out at different times with the result the hon. gentleman has pointed out. We are proposing to change that entirely; we intend to frame the law so that the duty is placed directly upon the ratepayer, who knows his income and who is given this list which will tell him exactly how much taxes he ought to pay on that income, of making, in the first instance, his assessment. The question of time is something which we give only for the convenience of the ratepayer. It would be very convenient if every one could afford to pay his taxes in full at once; but unfortunately some people cannot do that, and time is more or less wanted. Time is given by different municipalities, either in withdrawing deductions or in having ascending percentages of interest if payments are delayed, so that the municipality loses nothing by giving time. The ratepayer has a period of weeks within which to make a return. We do not want him to wait until the very last day on which the return ought to come in; it is a great deal better for the Administration that returns should come in just as quickly and regularly as possible. The idea is, after a ratepayer has made his return, to give him time in the manner indicated. This is a matter for each ratepayer, and I do not think any difficulty should arise, because this provision will apply automatically. If a man makes a return and sends in a cheque on the first April for only a quarter of the amount of the tax, he will have to pay another quarter on the first June, another quarter on the first August and another quarter on the first October. If his return is delayed and does not come in until the first June, his two-months' periods would run on just two months later. He would, of course, have the privilege of paying interest at the specified rate for that much longer.

Mr. CROTHERS: What is the objection to the simple process that I suggested of 2 per cent on the first thousand, 3 per cent on the second thousand, 4 per cent on the third thousand? There must be some reason or the minister would not have the tax as it stands. If there is any explanation I should like to have it.

[Sir Henry Drayton.]

Sir HENRY DRAYTON: We have the tax now very nearly in the manner suggested by my hon. friend. Of course, we have to have, in connection with all graduated incomes, different scales of rates.

Mr. CROTHERS: It might be all one class.

Sir HENRY DRAYTON: It is not in one class, because the classes here are divisions which can be arrived at only by having regard to the amount of the tax. The richer man must relatively pay much more than the small man with the small income. The tax as it now stands commences with the lowest rate of 4 per cent of normal tax on the small income; that is, 4 per cent on all incomes exceeding \$1,000 in the case of unmarried persons and \$2,000 in the case of married persons, and it runs from there to \$6,000. After you reach an income of \$6,000, the tax on everything over that is 8 per cent, no matter how large the income is. That is the normal tax. Then there is a list of tables furnished showing how the surtax is to be arrived at. The first surtax starts with a tax of one per cent on the amount by which an income exceeds \$5,000 and does not exceed \$6,000; then the tax is 2 per cent on the amount by which an income exceeds \$6,000 and does not exceed \$8,000, and so the list goes on. I do not think the public should have much difficulty in finding out exactly what the tax is if the calculations are made by the department and the exact amount of the tax for different incomes shown on the return.

Mr. EULER: I understood the minister to state that in cases where men have failed, for any reason whatsoever, to make returns for 1917 or 1918, as the case may be, if they now confess their misdeeds or their lack of action, no penalty will be imposed. I have no fault to find with that at all; but supposing it happens now that a man has not made a return for 1917, or 1918, or 1919, and he now makes his return, is he going to be charged a penalty for not making a return for 1919?

Sir HENRY DRAYTON: Yes.

Mr. EULER: But not for 1917 or 1918?

Sir HENRY DRAYTON: No.

Mr. EULER: It does not seem to me to be altogether just to do that. Supposing a man made his return and paid his taxes for 1917, made his return for 1918, but did not make his return for 1919, let us say,