

the war, in many cases with diminished incomes. We must not reflect upon their patriotism because of the fact that they are subject to this income tax, nor need we reach the conclusion that because there are men in the field, some of them being their sons, we must over-severely tax them upon income.

This measure is a stiff income tax. Even the normal tax is double the municipal taxation prevailing in this country. It is more than double the prevailing income tax in the United States. It is not a mild taxation. It is a heavy supertax, much heavier than the United States taxation. We must not reach the conclusion that it is mild as an income tax measure, because this is not the case by any means. I do not mean to say it may not be more severe, or that we may not have to increase it, but having regard to the present situation it is a fair measure, in its graduated scale, imposing a greater burden upon those who are enjoying a larger income. Taxation has many aspects. Personally, I do not believe it should be imposed for the purpose of punishing any citizen because he happens to have an income. That is not a sound principle. A Government must be sagacious in imposing taxation, else it will defeat its object. Place too heavy a tax upon liquid wealth—that is to say bank credits—and they disappear. Place too heavy a tax upon income, and you do not collect your tax, because people will not come into the country, and in many cases investments will be placed elsewhere. There is much more in taxation than the consideration of how much a man's income is, and how much he can possibly live upon, with a view to taking the balance away from him. It would injure this country greatly, and it would impair our power of raising money for the purposes of this war, and injure the prosperity we are enjoying, if our income tax measure was too heavy. I do not mean to say this is an ideal measure at all, but it is a pretty good start. Any Minister of Finance, myself included, could add to it as the necessity might arise. At the same time, it meets the situation as it is to-day. You cannot compare the sacrifice which is made by the man who goes to the front and offers his life for his country with the sacrifice made by writing a cheque, however large it may be.

Some hon. MEMBERS: Hear, hear.

Sir THOMAS WHITE: To me it is almost a sacrilege to talk of equalizing the

sacrifice made when a man sends his son to the trenches in the one case, and when a man is called upon to pay a tax bill, no matter how large, in the other. The cases cannot be compared, because they are essentially and fundamentally different. One touches human life. It is a spiritual sacrifice.

Sir WILFRID LAURIER: No man makes that comparison.

Sir THOMAS WHITE: I am not accusing my right hon. friend of making it. The expression "equality of sacrifice" cannot be used, because it is not a true expression. There is nothing to equal the sacrifice made by the men who have gone to the front, and the sacrifice made by their parents, and their wives, in sending them.

I think it is advisable to adopt the suggestion made by the hon. member for North Grey (Mr. Middlebro), and make the exemption \$1,500 in the case of unmarried persons and widows or widowers without dependent children, so that the section would read:

(a) four per centum upon all income exceeding fifteen hundred dollars in the case of unmarried persons and widows and widowers without dependent children, and exceeding three thousand dollars in the case of all other persons.

I have given careful consideration to the suggestions offered in regard to grading the tax according to the number in family. The difficulties I see and have seen in connection with that are such that I am against any amendment of the measure in that particular.

Mr. VERVILLE: Is the exemption of \$1,500 for single persons?

Sir THOMAS WHITE: Yes, unmarried persons.

Mr. VERVILLE: If a single man has dependents, he is on exactly the same footing as a single man who has no dependents?

Sir THOMAS WHITE: Yes, he is.

Mr. VERVILLE: Does my hon. friend believe that is fair? As far as the \$1,500 exemption is concerned, I claim that \$1,000 is far more than any man can spend on himself alone, but the man with dependents really has a family to support. The single man who has dependents is in the same category as the man with no dependents; that is, both have an exemption of \$1,500. When I asked the minister about the single man's exemption he spoke of his dependents, a mother or a sister, and, perhaps,