

Americans have since decreased their income tax. It was higher than ours until we made this last increase. I want to point out further that some of the provinces have income taxes and very severe ones. Do you realize that the province of British Columbia is taking more from its people by way of income tax than has the Federal Government by its income tax. The Provincial Finance Minister estimates in his Budget speech, delivered on the 4th April, 1918, that the provincial income tax in British Columbia should yield \$2,215,000. That is more than we have taken out of British Columbia in any year so far by our income tax. For the man living in British Columbia and in some of the other sections of Canada there is a double income tax. If you add the two together it makes a very material burden.

I have listened many times to members who have been getting up and saying: "Tax the millionaire; if you will only tax the millionaires who are rolling in wealth you will not need to do anything else." That may sound very well when it is given to a popular audience on the street corner, but when we are seriously considering how to raise revenue we have to look such statements fairly in the face. I moved for a return which was brought down on the 9th June, 1919. That return gave information up to April 30 of the operation of the first Income War Tax Act. It set forth that there were 31,310 people who had paid income tax up to April 30, and that of those 31,310 people three per cent only had paid on incomes of more than \$20,000. Ninety-seven per cent had paid on incomes below \$20,000. I took the precaution of asking that they be put into categories. I think we may reasonably believe that with these categories we have a fair inventory of the rich men of Canada because the income tax gatherers had been at work for a year and being after the largest sum of money they could get they would regard as a shining mark every man with a considerable income and they would naturally first collect all that it was possible for them to get from that source. I think we may safely conclude that out of the 31,310 this three per cent represents pretty nearly all the men who have big incomes in Canada.

Let us see then how that figures out. Of men with incomes exceeding \$100,000, according to this return, there are twenty-four in Canada. That is one out of every 1,300 of the income tax payers.

[Sir Herbert Ames.]

There are in Canada 125 men who pay incomes on amounts between \$50,000 and \$100,000, or one in 250 of the total number of income tax payers. There are 241 who pay on from \$30,000 to \$50,000, or one in 130 of the total number of income tax payers. There are 461 who pay incomes on from \$20,000 to \$30,000, or one in 67. All told, you will see, there is just about 3 per cent of the total number of people who have paid up to the 30th of April, who enjoy what may be regarded as large incomes. But you will say: "Oh, but get after the millionaire. Make him disgorge. Use him as the means of meeting all your war obligations." Very well, supposing we do, let us see how we will come out. Let us get after the millionaire. We will strip that terrible millionaire down to a point where he will enjoy an income not exceeding \$20,000. A man does not need to have \$1,000,000 of invested capital to have an income of \$20,000 you all know that a man may have an income of \$20,000 with perhaps a capital of \$200,000 of \$250,000 which would be a very reasonable return. So we are getting down from the millionaire to the semi-millionaire and the quarter-millionaire. Let us see how we will fare if we get after all of these. Let us hang them up, strip them of every dollar they have, and see how far it will go to meet the needs of the State. There are twenty-four of them whose incomes exceed \$100,000. Those twenty-four pay \$994,552. You will see that averages out at \$41,500 each. Now if you take the old rates that were in force under the first income war tax you will find that a man to be assessed \$41,500 income tax would need to have an income of \$190,000. Therefore, the average income of these twenty-four is \$190,000. All right, hang up the twenty-four men, strip them of every dollar they have got, and how much do you get. Why you get twenty-four times \$190,000, or only \$4,560,000. Very well put that to one side. Let the twenty-four millionaires get along as best they may without a penny left of income.

Now let us get after the second category: 125 men under the first war income tax up to the 30th of April, 1918, paid between \$50,000 to \$100,000. They paid altogether \$881,153, or an average of \$7,050 apiece. That sum will pay income tax on \$55,000 of revenue at the rates that were in vogue at that time which of course, were very much lower than the rates in force to-day. Now let us take those 125 men. Each enjoys an income on the average of \$55,000. Multiply 125 by 55,000 and you have \$6,875,000. That is their whole combined income,