

know the life expectation of a woman at the age she has; all the necessary facts are available. In some cases there would not be any interest required; in other cases, for instance if the man died when she was very young, there would be large interest charges. The whole thing is not right. I ask the minister if something cannot be done.

Mr. ILSLEY: The question of annuities has been up two or three times, and apparently it is coming up under every resolution. I have already said it is my intention to introduce some amendment to resolution 3 (g). It does not have to be done on the resolutions, it can be done on the bill and can be discussed at that time. The house will have an opportunity to see the bill and time to examine the amendment.

Mr. HANSON (York-Sunbury): That is quite all right.

Mr. JACKMAN: In the adaptation of the Ruml plan which the minister brought down there is much with which we can find ourselves in agreement; but there are two items, which can almost be described as minor items, to which those who believe in the principle advocated by Mr. Ruml cannot subscribe.

The first is in connection with the fifty per cent feature. The minister himself has indicated that there are many taxpayers in Canada who had not by the end of last December or by the middle of January of this year paid as much as fifty per cent of their taxes for 1942. He cannot, however, give us a reasonable estimate of the debt to the crown on the 1942 income, how much additional people will have to pay in connection with 1942 taxes as well as going on a full ninety-five per cent basis currently in regard to 1943 income. In the budget, however, the minister said there would be approximately \$105 millions of additional revenue without any increase in income tax rates. Surely a large part of that must come from the collection of part of the back debt applicable to 1942 taxes. In other words, how did the minister arrive at the figure of \$105 millions if he does not know how much the people of Canada owe on 1942 taxes as well as paying currently ninety-five per cent of the full 1943 tax rate?

The other and more important matter is in connection with the \$3,000 limitation on investment incomes. Every taxpayer in the country is to be forgiven—I use the word “forgiven” only because it is a convenient one; it does not really mean that a person is currently any better off—half of last year’s taxes on all his income except on that part of his income over \$3,000 which may come from investments or annuities or under wills or trusts.

The minister has suggested the reason why he made the differential. I agree with the facts which he brought forth, namely, that probably we would not have had any Ruml plan if everyone received their incomes from investments as the source, because the great advantage of adopting the Ruml plan, even in part, is the fact that wage and salary earners are no longer burdened with a tax debt after they no longer receive their salaries, nor are their widows so burdened if the wage-earner is dead. It became an impossible imposition owing to the great increase in tax rates, which caused a great deal of concern to every provident individual in this country. So that there was a sound reason for the adoption of this plan. But the minister has said, because those who have investments receive income out of a capital sum, they are not concerned with the debt which arose out of last year’s taxes, no matter how high they are, and that he cannot face the people of Canada and advocate forgiveness to them of any income which they may receive over and above the \$3,000 limitation.

I agree with the minister about the adoption of the plan. If we all had had an investment income we should never have had the plan. But I do not see why, if some taxpayers are to be forgiven, there should be discrimination against one section of the community that may have investment incomes over and above \$3,000. That is not a very high rate, particularly in view of the fact that even an income of \$3,000 under present rates of taxation leaves very little for a widow, much less for a married couple, who may be retired wage-earners, to live on. I suggest that there is no logic following from the facts he gave which justify discrimination against this investment class. On the other hand, I do suggest to him that full recognition was given to the principle of ability to pay, which is the principle of levying taxation to-day, when the rates were struck in previous budgets. The minister himself has been amazed, I believe, at how high the rates could be put and still the money would come in. Canada has done a most creditable job in financing its war effort, and I think the minister is entitled to great credit on that account. But there is no reason why, it having once been established that the rates applicable to certain investment brackets were high, they should not be given any advantage, if I may call it that, which accrues to the other income receivers under the Ruml plan; in other words, why that advantage should not go to those who receive investment income in excess of \$3,000.