

will become inoperative at the end, I think, of next year.

Sir THOMAS WHITE: The tax will be collected next year, but it will be on this year's accounting period, which will be the last accounting period.

Mr. GRAHAM: That is the intention now; but my hon. friend sometimes changes his mind on taxation, and perhaps whoever may be Finance Minister a year from now may say: we are going to have this business profits taxation continued. I am not sure that it should not be continued, because, at least until the war is over, I am inclined to think we must not let go of any source of revenue we now have.

What I am calling attention to is that while that is the suggestion to-day, whoever has authority and responsibility at the end of the last accounting period will have to take the responsibility of either renewing that Act or letting it expire through flux of time. The Finance Minister has also told us that one reason for the imposition of this tax at the present time, in contradistinction to not introducing it some time ago, is the fact that the Military Service Act is becoming law, and will entail considerable expense. The other reason given by the Finance Minister is a good and substantial one, that is, that when we begin to compel men to go and sacrifice themselves at the front, it is high time to compel those who stay at home, and who are able to do so, to pay more taxation. But to say that it will be more expensive to have the Military Service Act—

Sir THOMAS WHITE: I should say that it will greatly accelerate the expenditure, owing to the increased number of men.

Mr. GRAHAM: As a matter of fact, from the standpoint of expenditure, military service under the compulsory measure will be much less expensive than under the voluntary system. What I mean is that 100 men going under the voluntary system cost much more money, generally speaking, than the same number of men under this system, for this reason, that under the voluntary system thousands upon thousands of men have gone and left families, while under the compulsory service Act the younger men without families will be taken first. There will be no separation allowance for wives, there will be no money to be paid out of the Patriotic Fund for children. I submit that if we had had the compulsory service measure in force at the beginning of the war—and now I am speaking only financially—

[Mr. Graham.]

Canada would have been millions and millions of dollars ahead financially at the present time. So I think that reason of my hon. friend is rather an excuse than a reason.

Sir THOMAS WHITE: I had regard to the numbers. Recruiting had slowed down and it was to the increase in numbers that I referred.

Mr. GRAHAM: There is another question that comes to my mind in reference to what was said by the hon. member for Halifax (Mr. A. K. Maclean). We have been careful under other taxation measures to exclude to a large extent the men engaged in agriculture, and the reasons have been obvious. We are all very anxious to fill up our new country with men to go upon the land, and the object of excluding them from the taxation that we have had heretofore was that our immigration should not be retarded by the bugaboo of heavy taxation. On the contrary, it has been our desire to do everything to encourage rather than discourage immigration. I presume that under this measure incomes derived from any source whatever will be taxed; there will be no exceptions except those outlined. That being true, I am rather inclined to think that \$2,000 is not too high an exemption for a single man, and \$3,000 for a married man. We have to view Canada as a whole and endeavour to do what is best for the whole Dominion. We want to get all the money we can, but we do not want to frighten any person away; rather we want to impose our taxation in such a fair manner that, not only will no young man, or older man either, whom we want to go upon the land, be discouraged from doing so, but capital will not be deterred from coming into this country. We know that if the investing public, either in the old land or in the United States, come to the conclusion that the Canadian Government and the Canadian Parliament are reckless in their imposition of taxation, or are led to believe that the Government will deal unfairly with capital coming into the country, great injury will be done to Canada. We must avoid that because only if Canada is prosperous and successful after the war, through the investment of money and the development of our resources, can we hope to offer inducements that will bring to Canada the class of settlers whom we desire. I believe that the young man who goes to the West, for instance, and takes up farming, has plenty of discouragements before him now; and while his profits with a good crop may be as high as \$2,000, I say he is using