

Sir THOMAS WHITE: They do pay.

Mr. PARDEE: Only the amount stated here.

Sir THOMAS WHITE: In the case of a joint stock company there are many shareholders.

Mr. PARDEE: I quite understand that. What the minister says is that this tax shall be deducted from the profits, and then the rest shall be distributed as dividends. But that is not very much. You are leaving a tremendous balance there yet. What I cannot understand is why people with such an enormous income—I do not care whether they are firms of joint stock companies or anything else—should be left with such an enormous profit, when to-day we are sending men to be killed to save those very profits. You cannot get away from that argument. The people of this country are demanding to-day that the men who have made enormous profits out of the war should pay. Why should they not pay for this war? Why should they not pay for the men who go to the front? To my mind it is the one unanswerable reason why almost all that they have got should be taken in order that what they have left may be saved.

Sir THOMAS WHITE: They are fighting to save capital as well as income, are they not?

Mr. PARDEE: You are only taking their income. Their capital is so enormous that they are able to earn these enormous salaries, or dividends, whichever you like to call them. The minister has told us that the business profits war tax, or at least the proceeds of it, go on until the year 1918. From the figures we have examined we know that the business profits war tax would yield to this country vastly more than the sums that will be yielded under this income tax measure; there is no doubt about that. It is true that a very heavy tax might keep people out of this country, but at the same time the money that we need has to be raised from some source, and we might just as well be honest with ourselves now as later on. Taxation has to come if we are to stay where we are. There is no man of business acumen in the country to-day who looks facts in the face who does not say to himself: Taxes have to come because of the position we are taking in this war. So we might just as well make an early start and avoid a further piling up of the national debt. One hand practically washes the other, and it might just as well be done in this way as in any other.

[Mr. Pardee.]

In conclusion, I repeat that I do not think this tax is sufficient. I think it should be increased, and increased materially. I think that on an income of \$20,000 to \$30,000 the tax should be 15 instead of 8 per cent; on \$30,000 to \$50,000 it should be 20 instead of 10 per cent; on \$50,000 to \$100,000 it should be 25 instead of 15 per cent; on \$100,000 to \$150,000 it should be 30 instead of 25 per cent; on \$150,000 to \$250,000 it should be 35 instead of 25 per cent; on \$300,000 to \$450,000 it should be 40 instead of 25 per cent; on \$700,000 to \$1,000,000 it should be from at least 50 to 70 per cent instead of 25 per cent; on \$1,000,000 to \$2,000,000 it should be 75 instead of 25 per cent. I want to repeat that the corporations, firms, and others, are having their all protected. In order that they might be further protected, this Government has asked that there should be conscription of men. If you take the last reserves, as this House has voted, for the conscription of men, for the conscription of blood, and for the sacrifice of life, you have the right to make those who are protected pay, and they should pay to the last shilling.

Sir THOMAS WHITE: My hon. friend has an advantage which is always enjoyed by an opposition. I am quite satisfied if I had brought down a measure embodying the percentages my hon. friend has suggested as representing his views, he would rise in his place and double them. It must not be lost sight of that the men who will pay taxation under this measure on incomes of \$3,000 and upwards, also have their sons at the front. It is quite easy to speak of the people of the country who have incomes of \$3,000, \$4,000, \$5,000 or \$10,000, but so far as my observation goes that class has been and is represented in the field just as much as any other class in this community. I think we must not assume the country is divided into two camps, one of which consists of those who will not be subject to this tax, but who have their sons at the front, and the other those who are subject to the tax, and who have no sons at the front. My own belief is that all classes in this country, the labouring classes, the artisans, the merchants, and the professional classes, are represented practically pro rata in the field. There has been an equal patriotism, and I think we should bear that in mind. It seems to me we must not reflect needlessly upon those who have been successful through their exertions, and who enjoy no undue profits from the war, but who are carrying on their professions as they did before