

pany pay \$4 as against any other concern paying \$1 on the same earnings on the same capital.

Another anomaly to which I want to draw the attention of the minister is this: a firm with \$40,000 capital, doing business in a city or a town, and having practically the same turnover and practically the same profits as a company having \$50,000 capital, pays not one cent into the treasury, whereas the latter company has to pay its quota. I think the minister should consider that anomaly and see if there is not some way of removing it.

Another inequality is this: a firm having \$5,000 capital and selling \$1,000 worth of war supplies pays its quota of taxes, provided that it makes the requisite profits on its capital, whereas another firm selling fifteen times as much of war supplies pays not one cent into the treasury as a war tax. The illustration is this: the firm having \$5,000 capital and selling \$1,000 worth of war supplies must pay its quota of taxation provided that it has made a profit of over 7 or 10 per cent as the case may be; whereas the company having \$40,000 capital can sell \$15,000 worth of war supplies, provided that its turnover is equal to about \$100,000. Here is another case of inequality that is certainly worthy of consideration. The minister told me the other night, referring to one of these inequalities, that he would give the matter consideration; but I have not heard a word from him since. I am sorry my persuasive pleas fell—what shall I say?

Sir THOMAS WHITE: In blessings on our heads.

Mr. NESBITT: On stony ground.

Mr. LOGGIE: If they fell on stony ground, they should have come up quickly. Perhaps they came up and have withered already. However, I once more appeal to the minister to remove the inequalities in these resolutions.

Mr. COCKSHUTT: I have not had the opportunity of saying anything on these resolutions up to this time. The hon. member for South Renfrew (Mr. Graham) has kindly mentioned Brantford as one of the great industrial centres that have prospered very much and should be a fit mark for the minister's axe to fall upon in raising more revenue. In my judgment, the tendency on the part of critics of these proposals has been to exaggerate the amount of profits being made by industrial institutions in Canada.

[Mr. Loggie.]

Mr. GRAHAM: I do not want the hon. gentleman to go wrong; that is exactly what I said; I was agreeing with him.

Mr. COCKSHUTT: I have had a little experience in industrial concerns. I think I hold stock in twelve or fifteen different companies of greater or lesser magnitude, and I only wish that these companies could qualify to come under the taxation provided for in this measure. But, so far as I know, of the twelve or fifteen companies in which I am more or less interested, not one can qualify as having paid seven per cent. It may have been that in isolated cases, where war munitions have been manufactured, the profits of manufacturing have been unusually large; but this applies to a very small number of industries, and in many cases these high rates of profit in munitions are a very small factor in the total business of these concerns. A very large concern capitalized at millions may have \$200,000 or \$300,000 engaged in the production of munitions, while all the rest of its capital is used in its ordinary operations. It is a matter of common knowledge that conditions, up to six months ago, had been very depressing in the manufacturing line; profits not only had not been up to normal, but they have been down to the vanishing point in many of these industrial institutions. I think the minister has given us a liberal allowance of profit in seven or ten per cent, as the case may be, and even then he takes only twenty-five per cent of the overplus. I think that anybody who is making profits on that scale cannot reasonably complain of what the minister is doing. It will depend on how the Act is administered; but I have confidence that the minister will arrive at an equitable basis for the adjustment of all such taxation.

Now, a word with regard to the suggestion of the hon. member for South Renfrew with regard to the taxation of property. I cannot follow Sir John Burnham—I beg his pardon, the hon. member for Peterborough (Mr. Burnham)—in his suggestion that now is the time to tax property. I think the Minister of Finance was very moderate in his statement of the profits accruing to the real estate owners at this time. I would remind the hon. member for South Renfrew that many of the properties that have reached these fabulous prices are not in the hands of those who made profits on them, but in the hands of people who are loaded up with real estate, who bought the