

Sir THOMAS WHITE: When you get up to these incomes of \$30,000, \$40,000, \$50,000, \$75,000 or \$100,000, I do not think we need worry about how much a married or a single man has to pay. How many single men are there with incomes of \$15,000, \$25,000 or \$30,000? I think that with very few exceptions the single men who have comparatively large incomes have others dependent upon them. That is one of the reasons why they do not marry. I do not believe there are many single men with incomes of \$15,000, \$20,000 or \$30,000. The only unmarried man I can recall who had an income of \$20,000 or \$25,000 and who was about 35 years of age, enlisted when war broke out and was killed at the front only the other day. Do not let us be too hard on the unmarried man who happens to have an income of \$3,000, \$4,000 or \$5,000. He may have some maiden aunts, a mother or some other dependent relatives. The people of Canada are pretty careful of their relatives. That is to me one of the great glories of this country. I think you will find that there will be some special circumstances where there is an unmarried man who has a large income. Make a distinction of \$1,000 and then let the Bill run on. We need not worry if the married man with an income of \$30,000 and paying \$2,500 by way of income tax reflects that a single man who does not appear to have any dependents pays only \$40 less. I think the Bill will work out fairly well as it is.

Mr. GRAHAM: I am glad that my hon. friend the Minister of Finance has seen through the mists, that the clouds have rolled away, that what seemed insurmountable and impassable difficulties have disappeared, and that we now have a measure which looks to the obtaining of revenue from those best able to pay. I am not alarmed at the introduction of direct taxation if properly and carefully administered. After all, as has been pointed out, if a man has to go directly into his pocket, or to his bank account, and pay a certain amount into the coffers of the country he is going to inquire, perhaps, a little more carefully how that money is expended than he does now, when it goes into the pockets of somebody else every time he buys certain goods. The Minister of Finance has pointed out rightly that the provinces have given to the municipalities the right to impose taxation on incomes. In some cases the provinces are exercising that right direct themselves. In a time like this particularly that

taxation will be found to be comparatively small. Even if it were not, the circumstances are such that the imposition of direct taxation is fully justified, particularly as the vast majority of the people will not be taxed by this measure at all, but only those who receive salaries and incomes enabling them to pay it without being seriously hurt. After all, not to go outside of this House, who of us has been really hurt in the matter of taxation in this war so far? None of us. I have not asked the minister yet whether he intends to include in this taxation the sessional indemnities of the members. For myself, I would say: yes. I think these ought to be called incomes for the purposes of this Act.

There is another question which will arise, and that is the situation in the city of Ottawa. Owing to an arrangement between the Government and the city of Ottawa, incomes in this city have been largely exempt from taxation. I mean Civil Service incomes. I think the incomes of ministers of the Crown have been exempt under the same arrangement. I presume that under this Bill none of these exemptions will be allowed, because this is something outside of the municipal income taxation. The arrangement between the city of Ottawa and the Government was merely to cover the incomes derived by those in the employ of the Government at Ottawa, the municipality accepting a certain amount from the Government for certain municipal purposes, through the Improvement Commission largely. This being outside and separate, I presume there will be no exemption for the purposes of this Act in the city of Ottawa any more than there will be in any other city in Canada. I think there should not be.

Sir THOMAS WHITE: All are liable.

Mr. GRAHAM: The question of taxation is one that affects us all, and we are directly touched by it to a certain extent. I take it for granted that when this war is over there will be of necessity a readjustment not only of this system of taxation, but there will have to be, owing to new conditions, a readjustment of our tariff and all that kind of thing. I would not be surprised to see, when this war is over, a revolution in our tariff. The introduction of an income tax, tapping a new source of revenue, will make it easier to deal with the larger question from the point of view of revenue. The Minister of Finance has said that the Business Profits War Tax Measure