

trade. What, Sir, do those tremendous figures mean, figures running into the hundreds of millions, carrying our trade at once very close to the \$2,000,000,000 mark? Those figures mean what we all know they mean from other sources of knowledge. They mean that there are men making enormous sums of money at the present time out of munitions and other war supplies, because of the enormous expansion of our trade, and I submit that the sum of \$12,500,000 is an extremely paltry sum compared with the tremendous figures revealed by the trade of the country since the war began.

I was not quite content with the reasons, not heard for the first time, which the Minister of Finance gave for his want of belief in an income tax. He says our population is sparse. He forgets that in the year 1842, when Sir Robert Peel imposed his income tax, Britain was a very small country and had a comparatively sparse population. And after all, wealth is not entirely derived from the number of people in a country. Though our population is small, if we compare the resources in which our people operate with the resources that Britain has had at any time, we see that the boot is on the other leg. We have sources of untold wealth in Canada, if we but had the courage to embark upon a fiscal policy which would enable our people to use them.

The Minister of Finance referred to Great Britain and the United States as if they were the only two countries in the world which had an income tax. But Germany had an income tax before the war—it had to come to it; it found, as every country will find that follows tariff legislation, that a tariff is no good, that it is an effete and always dying thing. There was a proposal in the German parliament in the early portion of the year in which war broke out to increase the income tax enormously on the lines of graduation which have been followed for a good many years in Great Britain, which form of tax has produced such enormous sums of money for Great Britain since the war began. And some believe that it was in part their fear of this graduated income tax that led the junkers to engage in the machinations which brought about the war. I should like to impress upon the Minister of Finance that the example of Great Britain, followed seventy or eighty years later by the United States—and in a great many things we follow the United States in pretty close proximity—and followed later

[Mr. M. Clark.]

by Germany, will stand careful consideration upon his part. He was surprised that his business tax gave him so much money as it has given. If my memory serves me well, he was surprised last year at the results of other forms of direct taxation which he had introduced in the previous Budget. The fact is that direct taxes, in fairly prosperous countries, generally yield results that surprise the Ministers who propose them.

The hon. gentleman said that the greatest objection to an income tax is that it is inequitable in its application. He spoke in that connection of people drawing salaries, salaries not too high considering the high cost of living. I venture to think that if he would give the necessary accompanying relief in tariff taxation and so reduce the cost of living, a man receiving a salary would be far better off to pay an income tax directly, for then he would be able to buy the things he needs to keep his house going as cheaply as he can get them in the free markets of the world. That was the experience in Great Britain before the war. But, however the hon. minister thinks about it, either he or some successor of his will be compelled within the next half generation to get vastly more of the federal revenues from the wealthy men of the country than he has done by tariff legislation in the past. The hon. gentleman talks of the inequitable-ness of an income tax! There is no form of direct taxation that has ever been devised, or even dreamed of by the mind of man, that could be nearly so inequitable in its application as a tariff. The mischief of a tariff is that it gathers most of our revenues from the poorest of our people. In the presence of the sacrifices and sufferings of this war, and in the prospect of the better character that I trust our people will have in the way of unselfishness as a result of that war, is not the statement I have just made enough to raise a doubt in the mind of every hon. gentleman present, who thinks seriously at all, as to how long we can impose tariffs in this country. I say, a tariff takes the most of our revenues from the poorest of the people. Do I need to prove it? It is easily done. The habitant in Quebec with fifteen children pays federal taxes upon the little stockings and boots even of the smallest child, and on all they use and wear, until those children become self-supporting. But the wealthy bachelor, living in apartments, wears one pair of socks and pays duty thereupon. The poorest of our population have the largest families, and they pay more taxes than the