

Mr. A. K. MACLEAN: He is improving.

Mr. CARVELL: He is improving, yes. We know it can be worked out, and it is not new to this side of the House. I find in Hansard that, in the month of August, 1914, I advised the minister that it could be worked out.

Sir THOMAS WHITE: That was the wrong time.

Mr. CARVELL: There has not been a session since at which I did not renew the statement. No measure has passed this House since I have been here which has given me as much satisfaction as has the introduction of an income tax. I realize the tax will probably not be maintained as it is now after peace is declared. In all probability there may be a grading downwards to some extent, but I hope the income tax has become an institution in Canada, and that it will remain for all time. We must not close our eyes to the fact that enormous liabilities have been incurred in Canada in the conduct of this war, and that enormous liabilities will be incurred in the future. Everybody has come to the conclusion that this cost cannot be met by increasing the customs tax on goods coming into the country, in other words, you cannot produce sufficient revenue by customs and excise.

I know of nothing as fair and just upon everybody as an income tax. It produces a condition of affairs by which, after the war is over, we can discuss questions of trade, commerce and tariff much more intelligently than we have ever been able to discuss them. We have heard the cry "you will ruin manufacturing," and "you cannot get revenue." The minister has shown to-day—and I am satisfied it will be thoroughly demonstrated—that we can get revenue by means of an income tax.

I do not agree with the minister, however, that the exemptions should relieve the unmarried man to the extent of \$2,000 and the married man to the extent of \$3,000. I think the exemptions should only have gone to the extent of \$1,000 and \$2,000 respectively. What I shall say now will be without wishing to be sarcastic or anything of that kind. Probably, when we are discussing salaries, or taxation, we are apt to be guided to some extent by the conditions existing in Ottawa. We know that in the different departments at Ottawa, a man who is receiving only \$2,000 is, in his own mind, a menial, and in the eyes of the people of Ottawa is not entitled to any kind of social distinction. When, however, a

[Mr. Carvell.]

man in the ordinary country districts of Canada—and I do not care what part it may be—receives a salary of \$2,000, he is looked upon as being in pretty affluent circumstances. There is no part of Canada, even including the city of Ottawa, where a married man in receipt of a salary in excess of \$2,000 should not pay taxation on the excess. The same principle applies to the unmarried man. A man who is not supporting a wife or family in this country, in this time of stress, ought to pay much more heavily than the minister is providing for under this legislation.

I look upon this as purely a war tax for the present, although I was glad the minister did not state he would abolish it at the close of the war. It will never be abolished, because the good sense of the people of Canada will see it is kept in effect for all time. Inasmuch as it is a war measure at the present time, I think we could apply more drastic conditions to it than we are applying, and get more revenue from it. I would suggest to the minister that there should be less exemption to the unmarried man than is provided for in this Bill. When an income reaches \$10,000, or even \$5,000, you are only exempting a married man to the extent of \$1,000 more than the unmarried man. That is no distinction whatever. When you reach an income of \$15,000, or \$20,000 it is a mere bagatelle. In the practical working out of this scheme the unmarried man with a large income really pays no more than the married man. With these two exceptions, the Bill suits me. I heartily congratulate the minister and the Government on the fact that they have finally taken the grip and have introduced a measure which the people have been looking for for many years past.

Mr. A. K. MACLEAN: I wish to emphasize the point which my hon. friend from Carleton (Mr. Carvell) has just made by calling the attention of my hon. friend the Minister of Finance to the figures he gave the committee this afternoon showing the amount payable by a married man, and then by all other persons when the income reaches a large sum such as \$15,000 or \$20,000. This will make very clear the point of my hon. friend from Carleton:

Income.	Unmarried Men.	All Other Persons.
\$15,000	\$ 850	\$ 810
20,000	1,300	1,260
30,000	2,500	2,460
50,000	5,300	5,260

The difference is very small and it makes clear the point of my hon. friend from Carleton.