Hon. Mr. BOSTOCK: The next rise is from $3,000 to $6,000, and on the rise of $3,000 4 per cent is paid, bringing the tax up to $120 on the second $3,000, or a total of $140 for the whole $6,000. On an income of $10,000 a tax of 4 per cent is paid on the next $4,000 and a further 2 per cent is paid, bringing it up to $240 on that $4,000, making altogether $380. Then, in addition to that, if I understand it rightly, under this Act we pay a tax on the tax. There is a tax of 5 per cent on $240, making $12. So that the total tax that a man with an income of $10,000 pays to-day is $392. Then, on the next $10,000 to $20,000 there is a tax of 4 per cent, making $400, and then a tax of 5 per cent, amounting to $500, making in all an extra $900 to be added. Then, there is the further tax of 10 per cent on the tax of $900, which would amount to $90, so that the total tax on an income of $20,000 would amount to $1,382.

In making a comparison, I find that anyone with an income of $6,000 in the United States to-day would pay $120, which is made up as follows: under the old law in the United States he paid $40, and under the new law he pays a further amount of $80, making $120. Anyone with an income of $10,000 paid under the old law $120, and under the new law an additional $160, which makes $280. The surtax is 1 per cent on an income starting at $5,000 to $7,500, which amounts to $25, and 2 per cent on an income of from $7,500 to $10,000, making another $50, making the surtax $75 on an income between $5,000 and $10,000. So that in the United States under the present law the total tax on an income of $10,000 is $355 as against $392 which is paid in Canada. To continue the comparison: in the United States, on an income of $20,000, under the old law a man would pay two per cent on income in excess of $4,000, which would amount to $320; under the new law there would be 2 per cent additional on the income in excess of $2,000, which would amount to $360. That represents a normal tax on the income of $680. Then they pay 1 per cent on the income from $5,000 to $7,500, amounting to $25; they pay 2 per cent on the income from $7,500 to $10,000, amounting to $50; 3 per cent on the income between $10,000 and $12,500, making $75; 4 per cent on $12,500 to $15,000, which comes to $100; 5 per cent on $15,000 up to $20,000, making $250. So that the total tax on an income of $20,000 in the United States, under the law at present, is $680, plus $25, plus $50, plus $75, plus $100, plus $250, making a total tax of $1,180, as compared with our tax of $1,382. That shows that in Canada we are paying a higher tax than they are paying in the United States. Of course, this tax does not approach the income tax in England, which is a very heavy tax, and one that we hope the people of Canada will not be called upon to pay.

Hon. Sir JAMES LOUGHEED: I should like to amend subsection 1 of section 3 as follows: after the word "Canada" in the 31st line insert the words "or employed in Canada," and after the word "Canada" in the 32nd line strike out the words "and upon the income received by any persons from any source within Canada." I understand that in some of the Canadian border towns there are a great many people employed who reside on the other side of the boundary. This will meet the cases of that class of persons. We propose striking out the words that I have mentioned on account of the bearing which they would have upon the flotation of our securities in the United States.

The proposed amendments were agreed to.

Hon. Mr. BOSTOCK: In paragraph a, "dependent children" means anyone who is dependent on the owner of the income.

Hon. Sir JAMES LOUGHEED: Yes, anyone up to twenty-one years of age.

Hon. Mr. BOSTOCK: Or over twenty-one years of ago. First of all, there is a dependent child under twenty-one years of age; then there is a person over twenty-one years of age who is dependent on account of mental or physical incapacity.

Hon. Sir JAMES LOUGHEED: Yes.

Subsection 1, paragraphs a to p, inclusive, were agreed to.

On paragraph q—income exceeding $200,000:

Hon. Mr. BOSTOCK: I suppose that everything over $200,000 is taxed at the same rate?

Hon. Sir JAMES LOUGHEED: Yes; that is, as to the surtax.

Paragraph q was agreed to.

Section 3 was agreed to.

Section 4 was agreed to.

On section 5—payment of tax at source:

Hon. Mr. BOSTOCK: What is the result of repealing section 6 of the Act?