

\$88,293. Imperial Oil Company, capital employed \$27,161,000; profits, 1916, \$4,837,374, equal to 17.81 per cent. Excess Profits Tax, 1916, \$734,046. Excess profits tax, 1917, amounted to \$924,849. The Income Tax will be \$193,374. The Fairbanks-Morse, capital employed, \$3,686,500; profits, 1916, \$669,100, equal to 18.15 per cent. Excess Profits Tax, 1916, \$102,748. Excess Profits Tax, 1917, \$135,767. Income tax will be \$26,640. Now, Mr. Chairman, these figures will illustrate in what respect the income tax will affect the companies earning the largest profits, and there are companies that have more or less direct concern with manufacturing commodities, the prices of which have been affected by the period of the war. The Canadian Explosives Company have a present tax amounting to \$1,337,631. Under the income tax, its taxation will be reduced to \$123,656; that is to say that the taxation on its earnings in 1917 will be \$1,213,975, less than the taxation of the previous year.

This income tax will scarcely fulfil the expectations of the people of this country as regards the obligation of this Government to compensate as much as possible for the men who are going to the front and giving their lives in the service of the Empire, by making the wealth of this country contribute to the operations of the war. There are engaged in business in Canada concerns that, since 1915, have made profits as high as 800 per cent. There is no reason which the average man can see why such a change has come over the policy of this Government in such a short period of time. It is argued that the business profits war tax has a tendency to prevent capital from coming into this country, and that view is shared by a large number of business men, but when you consider that the burden of taxation in respect of excess profits is felt only after the earnings of those concerns exceed 20 per cent, it ought not to be a serious deterrent to the introduction of capital. Previous to the outbreak of war very few companies in Canada were earning more than 20 per cent, but since then the profits of many firms have increased so enormously that they can be calculated by the hundred per cent. There is, therefore, to the ordinary person no sufficient reason given for the Minister of Finance thus changing the basis of taxation.

The hon. member for Kingston (Mr. Nickle), in the excellent speech he addressed to the committee this afternoon, stated that he believed there were in this country certain interests that were not paying their full share of the financial bur-

dens of the war, taking into account the sacrifice made by those who go to the front and lose their lives. In that category he included the farmers. He said that as the farmer bought but little, he was not suffering so much on account of the increased cost of the commodities of life as the man who was not a producer of food. The farmer is relatively quite as large a purchaser as any other class of persons in this country. In the West where mixed farming is not engaged in to any great extent, the farmer has to buy everything except his wheat and one or two other articles which he produces. In eastern Canada, although our farmers are largely engaged in dairying and mixed farming, there are still many articles of consumption which they have to purchase. While it is true the farmer in eastern Canada produces his own butter and, at certain seasons of the year, his own meat and vegetables, he does not manufacture such requirements of himself and his family as clothing, boots and shoes, sugar, tea, cotton, hardware, building supplies, all of which have increased in cost enormously since the war broke out. Therefore, the hon. member for Kingston did not speak with that reflection with which he usually speaks when he stated that the farmers were not paying their full share of taxation in respect of the increased cost of living which is being experienced in Canada on account of the war.

So far as the contributions by the people of Nova Scotia to the Patriotic Fund are concerned, at least half of the money subscribed is contributed by municipal taxation which falls equally upon all the taxpayers of that province, quite irrespective of individual contributions. Therefore, when the Minister of Finance states that under this income taxation measure he is relieving the taxpayer of that portion which he contributes in the form of a Patriotic Fund contribution, it is after all not so much a reduction as would appear on the surface, because the great majority of the people who contribute to the Patriotic Fund would not be included in this income taxation legislation, but would enjoy the exemption which is mentioned.

Mr. PARDEE: I wish to emphasize the opinion expressed by the hon. member for Kingston (Mr. Nickle) in regard to the inequality of taxation upon the classes which this Bill affects. We must realize that when we conscript men, we conscript their all, and if we are to conscript wealth—or, not to use that term with which so much fault