

place—and I desire to emphasize this now—I have regard to the fact that people of this country have contributed, and are contributing very materially indeed from their incomes, to support the Patriotic and Red Cross and other war funds. That had very considerable weight with me in fixing the rates which we have adopted in this measure. I think this country has raised \$40,000,000, by voluntary contributions from the citizens.

Sir HERBERT AMES: Nearer \$50,000,000.

Sir THOMAS WHITE: My hon. friend from St. Antoine says "nearer \$50,000,000." That has been raised in three years by voluntary contribution on the part of the people of this country. When you are considering taxing a man with an income of \$5,000 or \$10,000, the question is not solely one of how much you can take out of that man; you must consider what that man is doing, or, at least, what most men of that class are doing with regard to those funds. I am perfectly satisfied that if we impose too severe a taxation upon men with substantial incomes, we shall at once, I will not say dry up, but very materially diminish the amount of voluntary contribution which will be made to the Canadian Patriotic, Red Cross, and other such funds. Whether the conclusion reached was sound or not, I submit that in considering a measure of income taxation, it would not be proper for us to disregard what the people of this country are doing with regard to those funds. If a severe income tax would dry up their bounty and stop the flow of contributions to the Patriotic and Red Cross Funds, then we should hesitate before imposing such a degree of taxation.

Mr. A. K. MACLEAN: Some allowance is made for those payments.

Sir THOMAS WHITE: Yes, but the allowance is comparatively small. My hon. friend knows the principle upon which we have gone in making those allowances. As I pointed out last evening, if we say that we will allow a man from his taxation the amount which he pays to the Patriotic and Red Cross Funds, then there is no bounty, no voluntary giving on his part at all, because the Dominion Government simply furnishes him with the money to pay his contribution. I pointed out last night, and I emphasize again to-day, that not only is it good that those funds should be maintained, but it is very much in the interest of the prosecution of this war that

[Sir Thomas White.]

men should continue to give to those funds. It is a mistake to assume that if a man gives to a fund, that man is in some way damaged or injured by his giving. It has often been pointed out that A gives to the Patriotic Fund; that B does not, and the conclusion is drawn that A is injured as compared with B.

On the contrary, A is benefited as compared with B. B is damaged by reason of the fact that he does not give, and A is benefited by reason of the fact that he does give. The more that a man gives, the better man he is; the more it makes for his character, and the more it will make for his interest in this war. As I stated when this Bill was introduced, I reached the conclusion that if we imposed unduly severe taxation, we would dry up the source of funds of the Patriotic, Red Cross and other funds, and I believe that is so.

There is another feature that I want to point out, and I do not believe it can be lost sight of. Unless for grave reasons of national necessity, this income tax should not be higher than the income tax imposed by the United States Federal Government. Why? Because if it is materially higher, you will find that men will decline to come into this country and contribute to its upbuilding by their energy, enterprise and capital, because this tax is a tax not only upon personal earnings, but upon the earnings of individuals, firms and companies engaged in business. Therefore, if we have a substantially higher tax than exists in the United States, we shall undoubtedly lose. We may gain more in immediate taxation, but we shall lose without doubt in ultimate results. In framing our taxation, we did not compare it with the existing income tax legislation in the United States, because there is before Congress now legislation increasing that income taxation, but we framed it having regard to the proposed increased taxation on income now before Congress. This is a comparative statement of the taxation of income in Canada and in the United States under the legislation now before Congress on persons other than unmarried men and widowers without children:

Amount of Income.	Taxation in the United States.	Taxation in Canada.
\$ 4,000	\$ 40	\$ 40
7,000	180	180
10,000	355	360
20,000	1,180	1,260
50,000	4,780	5,260
75,000	8,880	10,010
100,000	14,180	14,760
200,000	42,180	43,760