

into the lap of Canada, those who are dependent upon their labour, whether of hand or of brain—that is to say, whether the artisan who works for wages or the office man who works for what he is pleased to call salary—are, by the cost of living, subjected to a heavier burden than they have ever before been called upon to bear. That is to say, owing to the advance in the cost of the necessaries of life the man who receives a fixed salary or a fixed wage is closer up to the limit than he ever was before. That being the case, this is not the time to increase either directly or indirectly the burdens upon that section of the community. Whatever increased burden of taxation is imposed should be levied upon those who are able to bear it; upon the man who is reaping excessive profits out of war conditions or the man who by reason of good fortune is in the enjoyment of the larger income and therefore can spare a greater proportion of that income to assist in the upkeep of the country during these strenuous times. The man of smaller salary necessarily has to spend that salary in order to live; the burden of taxation upon that man is greater in proportion, although much less in amount, than that which rests upon the man of the larger salary. A single man in receipt of say \$1,500 or \$2,000 or a man with family in receipt of \$3,000 a year has but a small margin between the cost of living and the amount of his salary; that is, according to the ordinary standard of living. I do not wish to be understood as saying that the single man receiving \$1,500 or married man receiving \$3,000 a year should not pay income tax; I quite agree that he should pay income tax; but, as compared with the amount paid by the man who has an income of say \$10,000, the amount of the tax imposed upon him is necessarily out of proportion to the difference between his salary and his expenses. The man with the \$10,000 income can cut down his expenses without unreasonably reducing his standard of living, but the man with the \$2,000 salary cannot cut down his living expenses without seriously affecting his standard of living. There is room for the taking of the larger proportion from those whose incomes are greatest.

In following out the schedule submitted by the Finance Minister it cannot be argued that the proportion taken from a man of large means bears the same relation to the difference between his cost of living and his revenue as in the case of the man with the smaller income. That, I think, should be remedied; it is a condition that mili-

tates seriously against the merit of the proposals of the Finance Minister. I want to make this suggestion. It is borne in upon the people that the cost of living has tremendously increased in recent years. It has increased by one-half in four years, while salaries and wages have not increased in anything like that proportion. While I make the plea that the heavier burden be laid upon the man of larger means, I also make the plea that the tariff should be reduced so that the burden would be lightened upon the man of lesser means. The man almost the whole of whose income must be spent in maintaining himself and his family should have some measure of relief by a decrease in the customs tariff on the necessaries of life. An increase of revenue should be taken from those who can afford to pay it and the burden of the high cost of living should be lifted in some measure from those who are less able to pay. This country is going up against the wall, so to speak. The cost of living is increasing. Taxation is necessarily increasing, and the means of meeting that high cost of living and that increase of taxation are not being provided, notwithstanding the enormous outpouring of wealth into the lap of Canada as a result of the war. I would urge, therefore, that the income tax measure should not displace the war profits tax; that the war profits tax should be increased; that the income tax should be graduated more steeply in its higher figures, and that the tariff should be reduced with a view to reducing the cost of living to those whose outlay is necessarily within such a close margin of their income.

I was attracted by the plea made by the member for St. Antoine (Sir Herbert Ames) for consideration, in the imposition of the income tax, of those men of wealth who have contributed liberally to the Patriotic Fund. There is, I think, some merit in the hon. member's contention. The purpose of the Patriotic Fund is essentially a national purpose. It makes provision that is an absolute necessity to the credit of the country and to the maintenance of Canada's position in regard to the war. I have never looked upon the Canadian Patriotic Fund as something that should be a matter of private enterprise. I have always looked upon it as something that should be borne by the nation and that should be dealt with by the nation. I was never able to understand why there should be paid out of the Dominion treasury to the dependents of the

[Mr. Oliver.]