

tries we must remember that in most of the states of the Union many forms of direct taxation that we have not in this country are imposed by the Federal Government and state legislatures. With few exceptions, I think direct provincial and municipal taxation in this country is very light, and, therefore, the example of the United States is not an infallible guide for us in the circumstances prevailing in this country. We must not allow our national debt to accumulate any more than we can prevent, lest we have national disaster in the future and find ourselves in a position of inability to meet the interest upon our national debt and at the same time carry on the public services of the country.

It, therefore, matters little how this legislation compares with the Income Tax Act of the United States, or with that of England. The question is rather: what is the utmost we can secure by taxation from the people of this country to meet our great financial necessities and augment our current revenues so as to keep down as low as possible our rapidly growing national debt? I think, therefore, the rates proposed under this measure are not sufficiently high, and I join very heartily in the statements made this afternoon by the hon. member for Kingston (Mr. Nickle) on the other side of the House, the hon. member for Richmond (Mr. Kyte) and other hon. gentlemen on this side. I cannot add anything to what they said this afternoon. The matter was put clearly and strongly by them. I have nothing further to say in reference to incomes under \$5,000, nor as to the exemptions. When the resolution was introduced I stated that I thought, perhaps, \$2,000 was too high an exemption in the case of unmarried men. What I really thought was that the amount should be reduced, but I thought possibly the rate was a little high and might be made lower than 4 per cent for incomes taxable below \$2,000 in amount. There are in Canada a great number of unmarried men liable to taxation, and even if the amount of taxation is small, still the aggregate might be very large without any great burden being imposed upon them. I have, however, nothing further to say about that.

The tax on incomes of \$10,000 and upwards might very well be increased. While that may impose a burden on many who will have to pay the tax, still that burden must be imposed upon some one in order to meet partially our war obligations. Business conditions in this country to-day are exceptionally good; they are better than

the normal. It shall be much easier to secure a substantial amount this year, and possibly next year, than four or five years from now, and it is important that in the days of our plenty as much as possible be taken from our people to keep the Federal treasury in a healthy condition.

In the case of an income of \$10,000 unmarried men and widowers without dependents are obliged to pay a tax of \$400. If that were doubled to \$800, do you think, Sir, that any taxpayer would object? Would it mean a very substantial additional burden on those liable to taxation under this Act? I do not think so. In the case of an income of \$15,000, they have to pay \$850. I do not think anybody would seriously object to paying a tax of \$1,700 in such circumstances. A man with an income of \$50,000 has to pay a tax of \$5,300. I do not think there could be any valid objection if that were raised to \$10,000. In the case of an income of \$75,000, it is proposed to make the tax \$10,000. If it were raised to \$20,000 I do not think any legitimate protest would be made. It is true that in this country there are a very few people in receipt of such a large income, but there are undoubtedly some, and I think they would be content to pay a very much higher rate of taxation than is proposed by the minister. But whether they like it or not, I think they should be made to pay. I think that the rate of taxation might very well be doubled at least, on incomes of \$12,000 up, if not from \$10,000 up, and in many cases I think they might be trebled.

The minister would have us remember that very generous contributions have been made by the Canadian public to the Patriotic Fund, and that if we entrench too far upon incomes it will result in curtailing voluntary contributions to the Patriotic Fund. I submit that that is rather a weak principle upon which to base a taxation scheme. I agree with the remarks made by the hon. member for Lethbridge this afternoon, when he suggested that hereafter the Patriotic Fund had better be sustained directly from the federal treasury. I think that from now on appeals to the public to sustain the Patriotic Fund will not meet with the response which they have met with in the past. I think it is only fair and reasonable to expect some diminution in interest on the part of the public. It is true that a great sector of the public will contribute to this fund to the extent of their ability, but I really believe there will be serious impairment of the fund in the future if we