

poor indeed. I remember for several years after I came down to Ottawa I laboured under the most unjust odium of being a well-to-do man. The House has long since realized how unjust was the feeling against me.

Mr. J. H. SINCLAIR: I do not want to be misunderstood. I was not asking for a statement of the assessment.

Sir THOMAS WHITE: I did not misunderstand my hon. friend at all.

Mr. J. H. SINCLAIR: I am simply asking for a list of those who have made returns, merely for the use of the gentleman who requested me to obtain it for him. I was going to send it to him, and he would see if Mr. John Smith of his city had made a return, and, if not, he could write a letter to your officer.

Sir THOMAS WHITE: I think he should see the income tax inspector in the district and communicate his view to him as to the assessability of the parties in whom he is specially interested. The gentleman referred to is not an official. His motives may be of the very best—I have no doubt they are—to get the information, but it would be a violation of the Income Tax Act if such information were given to him, that is to say, made public.

Mr. PEDLOW: It is the practice in Great Britain that where life insurance premiums are paid by individuals, up to, I think, one-fifth of their income can be used for the payment of premiums, and that amount is exempt from income taxation. I submitted this proposition to the manager of this department, and his ruling was that no exemption would be made of the premium paid and that the returns from life insurance policies would not be included for taxation purposes in an estate. That is perhaps a fair ruling, but insurance should be encouraged to the limit, not only with those who are able to carry large amounts of insurance on their lives for the protection of their wives and families, but with those who are able to carry only smaller amounts. The minister should consider the advisability of exempting from income taxation up to a certain amount of the income of an individual when applied towards payment of premiums on life insurance.

Sir THOMAS WHITE: I think, if my hon. friend will reflect, he will see it would not be sound to grant exemption to the extent of premiums paid for life insurance.

[Sir Thomas White.]

Life insurance is an asset. A man might pay out of an income of \$10,000 a year premiums on a very large insurance payable during his lifetime if he should live a certain number of years, and he might deduct that from his income. Especially is it objectionable where you have a sharply graded income tax. A man with an income of \$10,000 a year is assessed on a higher basis than a man who has an income of \$5,000 a year. If you were to exempt premiums paid on life insurance, the man with an income of \$10,000 a year might take out a very large amount of life insurance, either on the tontine or straight life plan and thus get the benefit of a lower income tax rate. To safeguard against any injustice, we, in this Income Tax Act, provide that moneys derived from life insurance is not assessable as income. For instance, an estate or a beneficiary of a deceased person receiving a large amount upon the death of the testator is not assessable in respect of that amount. It would not be fair to assess it as income. We considered that matter very carefully, and my recollection is that it was debated pretty fully at the time the income tax measure was introduced, and we have not been able to see our way to allow it.

Mr. PEDLOW: When a premium is paid on a life insurance policy, the actual cash paid is not the value as an asset from year to year. Therefore, it is hardly fair that the insurer should be compelled to pay an income tax on a value that is only apparent and that is not real.

Mr. CAHILL: What is the particular objection to a little more publicity in regard to income tax collection? In the United States, I understand, they have had considerable difficulty for eight or nine years in getting it on a sound basis. I presume the tax commissioner has had consultations with experts from the United States and possibly from Great-Britain. Do they give publicity to income tax collections? I cannot see any reason why the tax collector should not give any man who cares to go into his office and ask for it the amount of money any individual in the community is paying. Until you have that publicity the feeling will prevail that some people are dodging their income tax. It seems to be a pretty general feeling in the country that people are dodging the tax, and I do not know that publicity would do a great deal of harm or hurt the false pride of people who are allowing others to think they have very large incomes when they have not, or