

the necessities of life. It urges that adequate relief has not been given in the proposed tariff changes and regrets a departure from the principle of direct taxation which is evident in the lowering of the income tax.

I desire to repeat the statement made in this house yesterday by my colleague from East Calgary (Mr. Adshead). In England 45 per cent of the total revenue—an enormous sum—comes from inheritance and income taxes—including super taxes. And I might say that as there are other sources of revenue, the proportion of the revenue which is raised through this form of taxation is considerably higher than that. In the United States 64 per cent of the revenues are derived from the income tax, while in Canada less than 14 per cent comes from this source. I do not think this statement can be too strongly emphasized.

Mr. GEARY: Is any part of the income tax to which my hon. friend is referring levied by the state? Is he giving state plus federal taxes?

Mr. WOODSWORTH: I am referring to federal income tax.

Mr. GEARY: In the United States the 64 per cent is entirely federal. Are you sure?

Mr. WOODSWORTH: No; I am afraid I cannot be positive on that point. My memorandum does not show that.

It is stated by some that at the Dominion-provincial conference the provinces claimed that they should have the field of income taxation to themselves. I would point out that the income tax is not in operation in all the provinces of Canada at the present time. I would also suggest that there should be no duplication in the collection of the tax and it would be a comparatively easy matter for the government here to turn over a certain percentage to the provinces. I strongly urge however, that we do not surrender the underlying principle which, as has been observed again and again, is a sound principle and which was adopted to meet an extraordinary demand—the discharge, namely, of the debts incurred by the country through the war. So long as these debts remain unpaid this tax ought to be kept in operation.

It has been further pointed out that since there is a corporation tax the income tax means double taxation. In answer to that I would remind the house that the small man is taxed over and over again. Excise, sales and stamp taxes amount to 21.33 per cent; customs import duties, 37.23 per cent; excise duties 13.82 per cent, or a total of 72.38 per cent of the total revenue; or a still higher percentage of the revenue raised by

taxation, as this latter amounts to only 86.55 of the revenue. That means that the man who has children must pay taxes on a great many of the necessities of life; if he has two children he pays probably twice over, and his taxation is correspondingly heavier all along the line in proportion to the size of his family. In other words, we have here not merely double but multiple taxation, and that upon the men least able to bear it.

I ask what is the purpose of all these heavy taxes? How do we spend our revenues? That is a rather interesting question. According to the minister's own statement, no less an amount than 45.11 per cent is devoted to expenditures attributable to the great war; and for national defence we have another 4.37, while for the mounted police, closely allied to the military, the expenditure is .65. There you have over 50 per cent devoted either to making provision for war or to the payment of the debt incurred by the last war. Careful calculations would seem to show that if you add to this the additional expense of collecting the larger revenues involved and also the additional cost of the flotation of loans, you find that somewhere around two-thirds of the entire revenue of the country goes to expenditures directly or indirectly connected with the war. This is an enormous portion of the revenues of the country to be paid out in this direction.

Now I turn to what I may perhaps term social expenditures. I find that health amounts to .21 per cent; scientific institutions—and I am very glad that it is proposed to devote a little more to this field in the future—.28 per cent; labour .38 per cent; and, last year to the Home bank depositors' relief, .06 per cent. Adding these together you have only .93 per cent. So that if we gave as much again this year to the Home bank depositors we should still have only one per cent of our revenues expended on this whole range of social activities. These contrasts are well worth public notice.

It has been said that the tariff board is more or less a smoke screen for the government. I can hardly believe this, because, so far as I have been able to study the tariff, it would seem that the information submitted to the tariff board has been very largely disregarded. None of us of course, are in a position to say what the tariff board recommended, if they made any recommendations; but certainly the facts that came before the board do not seem to have received great consideration in the changes now proposed. The other day I sat down for several hours trying to wade through these tariff schedules.