

\$10,000 a year ought really to pay more than \$392 a year when we have a war of this kind going on; it does not seem right to the community. In the general list we have taken chicory, green and ripe coffee, tea, snuff, and that kind of thing, and even matches; adhesive stamps have to be attached to packages, and all that kind of thing; and here right at our door we have large sums of money which can be obtained merely for the asking. All the Acting Finance Minister has to do is to declare by a stroke of the pen that so-and-so must pay a certain sum of money, and behold, he has it. My hon. friend has spoken of the fact that this tax is on a parity with the tax in the United States. We must not forget, however, that the United States is only in the first year of the war, whereas we are in our fourth year, and I venture to predict that when the United States is in its fourth year—I hope to God the war will not last so long, but if it should come about—the tax will be very much more than \$392 on an income of \$10,000 a year. In the matter of tea, large consumers will be paying a considerable sum of money. With that tea goes tobacco, and with tobacco goes all these little petty luxuries of the poor, and we will find that these people, although they have not an income of \$2,000 a year, will be paying relatively a very much larger sum than other persons who have an income of \$10,000 and upwards. It seems rather strange, rather extraordinary, that the Opposition should be begging the Government to increase the taxation, but we find that it is necessary to do so because the Government are not acting as we think they should in the interest of the country. While there is yet time, we on this side of the House urge the Government to see to it that the taxation is made commensurate with the needs of the country, because the people who have these incomes can very well afford to pay.

Mr. A. K. MACLEAN: It is quite easy to understand why an Opposition may be begging, to use my hon. friend's terms, the Government to increase taxation. I suppose that may be quite fair political game, but does not—

Mr. McMASTER: It is not a game. Mr. Chairman, there is no necessity for the Acting Finance Minister to say that and to impute motives.

Mr. A. K. MACLEAN: I am not imputing motives.

Mr. McMASTER: Yes, you are.

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Mr. A. K. MACLEAN: I am not imputing motives at all. My hon. friend says that our income tax in Canada is not as large as it is in England. That is a well-known fact, but there are many reasons why that should be so. In the first place, there is no taxation upon consumption in England, as there is in this country. My hon. friend knows, further, that the customs tax upon practically everything coming into this country is very high indeed. The hon. member for Brome (Mr. McMaster) very naturally bows assent to that statement, and we are not at variance upon that point. Well, that must be taken into consideration. To suggest that the income tax of Canada should be the same as that of England would be rather preposterous.

Mr. JACOBS: I am not suggesting that. There is a wide margin between \$390 and \$3,000.

Mr. A. K. MACLEAN: There is quite a wide difference, and it would be a very difficult matter for us to agree upon the exact point to which we should go in seeking to approximate the income tax of Great Britain. Now, the income tax in Canada under the present amendment will exceed that of the United States upon all incomes. Of course, that is not a complete answer to the statement that our income tax now is too low, but some consideration must be paid to the rate of income taxation in the United States. We cannot escape from it. Our territories lie side by side, and if the income tax is much higher in this country than it is in the United States there can be only one outcome: people will leave Canada and go to the United States. And the same might be said of our Business Profits War Tax, if the difference was very great. I hope my hon. friend does not mean to say that a consideration of that kind must not weigh with the Government. Further, in British Columbia, there is an income tax of 7 per cent upon incomes that are quite low, and in fixing the federal Income Tax we had to take that into consideration also. In the province of Ontario there is a municipal income tax, but I am really not in a position to state whether it is onerous or not. But I do know that the income tax in British Columbia is quite onerous and we could not escape giving due consideration to that fact. I would like to say also that while the tax upon an income of \$10,000 will now be \$392, it does not follow that it shall always remain at that sum. It is a