

the universities depend upon, and they would resent very much any attempt to cripple them in that respect.

There are two fields of taxation then: Income tax, which has been already exploited to the limit; and succession duties, which really belong to the provinces and are thoroughly worked by them, and therefore should not be considered as a possible means of additional federal revenue, notwithstanding the opinion of the ex-Minister of Agriculture. Whether any money can be raised from a tax on land I do not know; I leave that to the western gentlemen to take up. But I say we none of us enjoy paying taxes. Taxation, to be fair, should be levied on all classes of the community as nearly as possible in equal ratio. There are a certain number of taxes being levied which do not hit certain classes. Those who are paying those taxes do not grumble, but they do think it is scarcely fair to load such taxation on one section when other sections which do not pay those taxes are constantly asking for consideration which is not awarded to the section which is already bearing its full share.

Mr. LALOR: We hear a good deal of discussion about farmers not paying taxes. Although not a farmer, I represent a farming community, and I just want to give my view on that class of people in the county which I represent. The county of Haldimand is a large and successful farming county. The farmers are prosperous—we will admit that they have done well during the war; prices are good. But I have thought it over carefully, and I do not know five farmers in the county who have an income of \$5,000. It is all right to look over the list of income tax payers and say that not enough farmers are paying the tax, but it must be acknowledged that farmers with incomes of \$5,000 to \$10,000 are scarce in Canada, and in the county of Haldimand I cannot think of any man with an income of over \$10,000, and we are a pretty good county in the Niagara district. Farmers have not large incomes, but they are doing well. A farmer thinks he is doing well in the province of Ontario if he is making \$1,000 a year over and above his living expenses. When you search for farmers with incomes of from \$3,000 to \$5,000 you do not find them in the province of Ontario, or, if you do, they are very exceptional indeed. I think a lot of stress is laid on our farmers not paying income tax that is altogether unwarranted when you consider that they have not large enough incomes to bring them under the income tax law. In the

western country they may have a class of farmers with large incomes, but in Ontario we have not got them. The hon. member for St. Antoine is generally correct in his figures, but I think he is mistaken about the income tax in the United States. He is figuring his income tax a year too early.

The latest income tax in the United States is almost absolutely identical, dollar for dollar, with the present income tax now proposed. So the figures my hon. friend has presented do not give the American income tax correctly as compared with ours. Ours are just as large as theirs; I have compared them, and they are identical except that in respect of some of the very large incomes there may be some slight differences. I do not believe the farmers have incomes sufficient to make them liable to income tax as some of us in other lines of business think they have.

Mr. SEXSMITH: The hon. member for St. Antoine (Sir Herbert Ames) seems almost to lay the charge at the farmers' doors that they have incomes that would come within the limit of the law, and that they are shirking the tax.

Sir HERBERT AMES: Please, may I interrupt the hon. member to this extent: If in anything that I said I should be interpreted as saying there was any intention to avoid legitimate taxation on the part of the farmer I want it to be understood that that is taken back. I simply say that the figures show that they are not paying the tax; they are probably not being asked to pay it.

Mr. SEXSMITH: They are asked to pay it if they have the income. In my opinion, outside probably of a few big grain growers and an occasional farmer between the Atlantic and the Pacific, very few farmers come within the limit of the income tax law. The agricultural statistics of 1917 show that the total capital invested in farm properties, land, buildings, machinery and stock, is in round figures \$5,200,000,000. The same year, on a high scale of prices for wheat, flour, butter, cheese and all other farm products, the earnings, as estimated by the statistical branch of the Department of Agriculture, amounted to \$1,600,000,000 in round figures. Therefore, the gross earnings of the farmers in the Dominion of Canada in 1917, with all the high prices, amounted to only 31.1 per cent of the capital invested. Will any one tell me that the farmers on an average were, in 1917, making 6 per cent on the capital invested? Because, if he does, he does not know what he is speaking about. There is not in the Do-