

or 74·8 per cent of his total income; and if he lives in British Columbia, he will pay \$170,425 or 85·2 per cent of his total income.

Let me give a few additional illustrations to show the relative burden of our new rates as compared with the British income tax rates. Take a married man with no dependents living in Ontario. If he receives an income of \$1,000, he will pay no tax in Canada—that is, he is under the exemption limits provided for by the national defence tax (\$1,200 for married men) and by the regular income tax (\$1,500 for married men)—while his British cousin in like circumstances would pay \$14.31. If his income is \$1,500, he will pay 33 per cent of the amount he would pay in Britain; if it is \$4,000, he will pay 46 per cent of the British tax; if it is \$10,000 he will pay 71 per cent of the British tax; if it is \$200,000 he will pay 86 per cent of the British tax; and finally, if he should have an income of \$500,000, he will pay 94 per cent of what he would have to pay in Britain. If he happened to live in certain other provinces, his total tax would be a considerably higher percentage of the comparable British tax and in the higher brackets of income would in some cases exceed the United Kingdom tax. Thus, a married man with no dependents and an income of \$50,000, living in Quebec, would pay 107 per cent of the British tax, and if he were living in British Columbia he would pay 114 per cent of the British tax. If his income were \$200,000 he

would pay 99 per cent of the British tax if he lived in Quebec, and 113 per cent of such tax if he lived in British Columbia.

It is anticipated that the increases in the income tax will contribute \$58 million of new revenue in a full year of operation, but none of this will be available in the current fiscal year. It is estimated that the national defence tax will provide \$35 million additional revenue in a full year but only \$20 million in the current fiscal year. To make it quite clear let me emphasize that this national defence tax is the only direct tax imposed by the dominion on unmarried persons with incomes from \$600 up to \$750 per year and on married persons with incomes from \$1,200 up to \$1,500 per year. On incomes of \$750 and up in the case of single persons and of \$1,500 and up in the case of married persons, both the income tax and the national defence tax apply.

For the convenience of hon. members, I shall now table a statement showing for a number of different incomes the amount of tax payable to the dominion under the existing income tax, the amount payable under the new income tax rates and the national defence tax combined, the total amount payable to the dominion combined with the amount payable in each of the several provinces where income taxes are imposed, and the percentage of the British tax which a man living in Ontario would pay in dominion and provincial taxes combined: