

to our existing income tax is the fact that the rates are much higher than those of the American income tax. A married man in the United States with an income of \$7500. and no children pays a federal income tax of \$60.00. In Canada he pays \$336.00. On larger incomes we find much the same difference though not so marked. I need not go into the undesirable results. True, a more logical method is to compare the total taxes paid by a Canadian with those paid by an American. In fact there are good reasons for concluding that all taxes - federal, provincial and municipal are somewhat lower in Canada than in the United States but the American is as a rule better able to bear his burden of taxation than the Canadian is.

Considering all these circumstances, what should be our conclusion? On the one hand it must be granted that an income tax no heavier than the American would be desirable since it is income tax and not all taxes that impresses people most. Moreover, it is questionable whether a rate higher than 40% or 50% on large incomes really yields as much in the long run as lower rates. Furthermore very high rates tend to lessen saving and investing. On the other hand most economists would probably oppose any such decrease in income tax rates as would materially reduce the receipts. As it is, only about one fifth of our tax receipts comes from the income tax while the American income tax produces three fifths of the tax receipts and the English income tax is responsible for nearly one half of the tax receipts. To put it in another way. Four fifths of our federal tax receipts come from taxes which fall much harder on the poor and middle