

Government to give to the House and to the country a statement of the cost of maintenance in Canada of the men who are now in training. I assume the Government bear the cost of maintenance of the men in Great Britain preliminary to their going to the front. I understand that they have maintained an organization there, under General Carson, through which the Canadian Government pay our men there. When they go to the front, they will, of course, come under the Imperial control. The determination of the minister that this measure shall be only a two-year proposition is one whose genesis I am hardly able to appreciate. Why does he say he will not pursue this form of taxation as a permanent form?

Sir THOMAS WHITE: The principle of this taxation is to take a portion of what might be deemed to be excess profits. I pointed out that there were many businesses in Canada which directly or indirectly had made and were making large profits out of the war, and that there were others which, while not making their profits directly or indirectly out of the war, still were making larger profits than were normal, and the taxation is based upon that principle. It is obvious that when the war comes to an end, these companies, the munitions companies for example, and those furnishing war supplies, which made and are making money out of the war, will no longer be making money in that way. Therefore this would not seem to be a natural measure of taxation after the period of the war, because it is based upon the principle of taking a part of the excess profits.

Mr. McCREA: I made a suggestion on Thursday evening in regard to the inequality of the tax as between incorporated companies and individuals. I was somewhat of the same opinion as the hon. member for Northumberland (Mr. Loggie) in the first stages of the Bill; but after hearing the reasons and arguments advanced by the minister why an individual or partnership should be allowed a higher rate of profit, I felt that there was some force in the minister's argument that the partnership or individual is liable for the whole debt of the undertaking, whereas the incorporated company is liable only for its paid-up capital. That would, in my judgment, apply where the industry is not a very large one; but when it reaches proportions of one, two, or three hundred thousand dollars, it ceases to have the same risk that it would have in the smaller capitalization stage. For instance, if an

individual has a capital invested in his business of a quarter of a million dollars, the great chance is that his eggs are not all in one basket; he probably has several branches of his business; and then, in case of fire or any other loss, he will not suffer a total loss, any more than the hon. member for Brantford, who is connected with twelve or thirteen corporations and has not all his wealth invested in one company. The individual or partnership, when the capital used or controlled by the business reaches proportions of several hundred thousand dollars or upwards, would probably have it distributed over a considerable number of business enterprises, and consequently would cease to have the risk that a small concern would have. It would be only reasonable that an individual or partnership carrying on business with a capital reaching up to several million dollars, should come under the same rate of profit that an incorporated company would come under. There are many industries carried on by individuals or partnerships which have large amounts invested, and it is hardly fair competition. I cited the other evening the case of the largest industry in Ottawa, which is controlled by one individual and is competing in my own line. I feel that it is not quite fair that the business with which I am connected should pay 25 per cent of its profits after making 7 per cent, whereas our competitor is allowed 10 per cent. There is a further reason. The hon. member for Brantford (Mr. Cockshutt) has told us, and I suppose the minister must have been listening, that he is connected with 14 or 15 different institutions; and, according to his theory, they are all lame ducks, so that the minister is not going to get anything from them. Thus it is up to the minister to be wise and see where he is going to get some revenue. He should adopt my suggestion of putting individuals and partnerships on the same basis as corporations, after they reach a certain limit, whatever he might think wise. It is surely not wise that individuals or partnerships with millions of dollars invested, competing in the same lines as companies, should be allowed 10 per cent profit, whereas corporations, perhaps having many more difficulties to contend with, should be allowed only 7 per cent. I hope the minister will consider my suggestion, and add a clause to that effect.

Resolutions reported, read the second time, and agreed to.