

liable for taxation under this measure, he pays to those funds only what he is obliged to pay to the Government and the merit of his voluntary contribution is largely gone.

Sir HERBERT AMES: The hon. member for North Grey (Mr. Middlebro) and I wish it clearly understood that it is only in regard to 1917 that we are pleading, the point being this, that we have had campaigns in practically every city throughout the Dominion of Canada, and we have secured a large number of subscriptions that are being paid in on a monthly basis. Practically all those subscriptions will be paid in by January, February, or, at the very latest, by March of next year. This income tax is retroactive in that it is on what a man's income was in 1917. All those men who are now giving generously to the Patriotic Fund are giving without any expectation of having an income tax placed upon them this year. They have a self-imposed income tax for the Patriotic Fund. In addition to that you are going to place upon them another income tax. All that we are pleading for is that the money which is subscribed and paid in 1917 by the comparatively small portion of our population who have an income of over \$3,000, and who therefore come under this tax, may be regarded as having been paid to the Government. Three-eighths of all the money we get comes from taxation; probably as much more comes from small subscribers, and perhaps one-quarter of all we get comes from the large subscribers who have incomes of \$3,000 and upwards, and who will therefore be hit by this tax.

Where a man with an income of \$10,000 has deliberately settled down and said: "I will give one-tenth of my income to the Patriotic Fund," when you ask him to give three or four hundred dollars more by way of income tax in that same year you are making his burden pretty heavy. Furthermore, it must be remembered that there are in every community a certain number of extremely stingy men, who have not given a dollar to anything since the war began, who have dulled the edge of every campaign committee we have had, who have been the obstacle in every attempt we have made to raise money. Other people would say: "There is Jones, with a big income; he has not given a red cent for war purposes; if he won't give, why should we give?" We have met with that over and over again. We have frequently found

two or three men in a community with big incomes who had contributed absolutely nothing, and I would like to have these men feel that they could not escape the 1917 tax by being stingy. I think it would have a helpful influence throughout the community if Parliament showed that we appreciate the patriotism and generosity of the men who have been subscribing so liberally. It would not take very much out of the minister's revenue this year. I do not say it should go beyond 1917, but it would be a recognition for that year of the generosity of these men. We shall have to make our plans for 1918 having in view the fact that this income tax has been imposed. People will subscribe then with their eyes open. They will say: "I know that I have to pay \$500 income tax, and I therefore cannot give you as much for the Patriotic Fund as I did last year; I will only give you \$250 this year." But for the year 1917, on which these people are pledged and have sent in their cards, making an engagement that cannot be broken, we want to feel that they are to some extent protected.

Sir THOMAS WHITE: I shall be very glad to take into consideration the observations which have been made. I think they are well worthy of careful consideration.

Mr. LOGGIE: The minister will not forget that the provincial taxation spoken of is spread over a number of years, I think twenty years in the case of New Brunswick, and even if you deduct the taxes paid it would not amount to much. When this taxation was levied there was no thought of this special taxation being imposed, and perhaps that is worth considering.

Mr. McCREA: I think it is very desirable to exempt everybody if possible; but nobody knows the financial affairs of this country better than the Minister of Finance, and they are in such shape that he has had to resort to this measure of taxation. Later on, I believe he will have to resort to still more serious methods. I think it would be a mistake to modify in any way the taxation he is now imposing, on patriotic or any other grounds. The trouble has been that in the past the minister and the Government have been lacking in the courage they should have had. They should have imposed taxes before now so that the people of this country would be carrying a more substantial part of the burden to-day. If more severe methods of taxation had been resorted to it would be