

others. We are not looking after them at all now, if I understand the Act aright.

Sir THOMAS WHITE: I think there is a little misunderstanding here. I thought that "without dependents" would govern the case, but the wording here is "without dependent children." I think we can put in there "unmarried persons without dependent relatives."

Mr. McKENZIE: Why not say "dependents" and leave out "relatives?"

Sir THOMAS WHITE: I am afraid that they would all have dependents.

Mr. McKENZIE: They may have dependents who are not relatives.

Sir THOMAS WHITE: I move that it read: "unmarried persons without dependent relatives." I am perfectly satisfied that if we do not cover it in some way there will be no tax collected at all.

Mr. McKENZIE: A man might have his stepmother to support. His stepmother would be no relative, but she would be a very legitimate dependent. I think the word "dependents" alone would be better than "dependent relatives."

Sir WILFRID LAURIER: I would suggest to my hon. friend that he might let the section stand and think it over. There will always be difficulty in connection with a matter of this kind. You must have a rule, absolute, and, it may be, arbitrary. No matter how you place this taxation it will weigh upon some persons more than others. You cannot avoid that. The statement was made a moment ago that you should consider the case of a bachelor with dependents. It may happen that a man who has no wife, a bachelor, will have dependents. It may happen, also, that a bachelor will have no dependents and still further that a married man will have dependents. Besides his wife and children, he may have poor relatives to look after. But you have to apply a rule of some kind, and when you have applied that rule you must take the consequences. I would suggest to my hon. friend that he allow the question to stand over for further consideration later on.

Sir THOMAS WHITE: All right.

Sir WILFRID LAURIER: I would like to call my hon. friend's attention to the drafting of the Bill. Section 4, paragraph (a), reads:

Four per centum upon all income exceeding two thousand dollars in the case of unmarried men and widowers without dependent children, and exceeding three thousand dollars in the case of all other persons.

That is intelligible. But, when you come to paragraph (b), which is the first provision in regard to the supertax, you find the following:

Two per centum upon the amount by which the income exceeds six thousand dollars and does not exceed ten thousand dollars.

There is a gap between \$3,000 and \$6,000.

Sir THOMAS WHITE: The four per cent, normal tax, applies to that.

Sir WILFRID LAURIER: You collect two per cent upon all incomes exceeding \$6,000 and less than \$10,000. But between \$3,000 and \$6,000 there is no provision for collecting the tax.

Sir THOMAS WHITE: It is perfectly clear. In the first place four per cent is collected upon all incomes exceeding \$3,000. That is the starting point. If a man has an income of \$100,000 the way you start to determine how much he is to pay is this: You subtract \$3,000 from \$100,000, that leaves \$97,000 and of that you take four per cent.

Sir WILFRID LAURIER: The normal tax runs all the way up?

Sir THOMAS WHITE: All the way up to \$100,000. Take the concrete case of a man with an income of \$7,000. In the first place he is entitled to be taxed at the rate of four per cent upon all his income in excess of \$3,000. Four per cent upon \$4,000 is \$160. Then, as the income exceeds \$6,000 by \$1,000, there is two per cent additional upon that \$1,000 which is \$20. Add \$20 to \$160 and you have \$180 as his tax.

Sir WILFRID LAURIER: It is not aptly expressed but it is all right.

Mr. BUCHANAN: I may not have an opportunity of speaking on this measure again and I would like to enter a very strong objection to the lightness of the burden imposed upon the heavier incomes. This tax has a very close relation to the conscription measure, in my estimation. We must do our best to induce men to go under conscription to fight in Europe, we must put them in as good humour as possible and to put them in good humour we must impose a moderate tax on the wealth of this country. We cannot impose any taxation that will measure up to the sacrifice the man makes who goes to France and gives up his life or who receives wounds