

If my hon. friend were limiting his Bill to income from a man's trade, profession or calling, that would be a different thing; but he taxes his whole income, no matter from what source it is derived, whether from his profession, trade or business, or from the investments which he has made. The minister not only seeks—as he says he is going to have this Bill administered—to collect taxes from the full income which a man receives from his business, trade or employment, but he further says that, in construing this Bill, he will insist that if a man receives from his investment in certain real estate an income, he will be assessed upon that income even although in respect to some other investments in the same class of property he is sustaining a loss and compelled to bear a burden. That is pushing the matter to the very verge of the grossest possible injustice. I cannot understand why the minister should refuse to have the matter made plain. All I suggest is that the law shall be a reasonable one; that the man shall be obliged to pay a tax upon his net income. I do not mean to say that if he chooses to risk his money in wild speculation, any loss he might incur in that way should be deducted. All I mean is that where a man is engaged in real estate—

Sir THOMAS WHITE: Engaged in real estate?

Mr. PUGSLEY: Not engaged in buying and selling real estate, but owning real estate, investing his money in real estate—if from some of his property he gets a good income, and with other portions of that property he is unfortunate and it brings in no income and he has to bear a large burden in respect to the taxes, all I ask is that his whole income from his different properties shall be considered, and it shall be upon the net income that he shall bear the burden imposed by this Bill. To have the law different is going to bring ruin to many people in this country who are unable to bear such a heavy tax, especially under the circumstances which prevail at this time. In the city of Montreal there are friends of mine with whose circumstances I am familiar, who have put their money into real estate. From some of their property they are receiving a good income. Other portions of their property in regard to which they exercised the same judgment or thought they were doing so, into which they bona fide put their money, are non-productive, and they are bearing heavy burdens, pay-

ing out heavy taxes. All I say is that the incomings and outgoings in respect to those different properties should be considered together, and upon the net income the taxation should fall.

Sir THOMAS WHITE: I do not mean to say that, if a man had a row of houses from which he received rents, and if there were some vacancies in those houses during the year, he would not be allowed to deduct, from the total income which he received from the row of houses, the taxes which he would pay in respect of the vacant houses as well as of those not vacant.

Mr. PUGSLEY: Suppose there are two rows of houses in different parts of the city, or suppose the rows are in different towns. Why should there be any difference?

Sir THOMAS WHITE: There is no difference if there are two rows of houses. Let us take two rows of houses and say that a man derives from those \$5,000 a year and that some of them during the year are vacant and others are occupied, but that they are two rows of houses from which he has been in the habit of deriving an income. Nobody would contend that he should not be allowed to deduct the taxes from the income which he would receive in respect of those two rows of houses. Let us go back to my former example. Two men have each a salary of \$10,000. One man has a family to keep and spends the entire \$10,000 upon himself and his family in their maintenance and education. The other man has a considerable quantity of real estate, and he has to pay out \$4,000 or \$5,000 of his income on taxes. We must not assume that that money is lost. He is paying it out to protect his own property; and the first man that I have mentioned would have every reason to complain if we assessed him upon the full \$10,000 and explained to him as a reason why we did not assess his neighbour who drew precisely the same salary as he did, that he held a good deal of real estate and took a considerable amount of that income to pay taxes upon that real estate. I think the first man would have a real grievance. He would say: His income is the same as mine; I spent mine in keeping my family, and educating my children, and he spent his in paying taxes upon some unproductive real estate which may give him an excellent return in years to come. I do not believe we should go back of the man's income.

Mr. LEMIEUX: But, supposing the second man had investments in rows of houses.