

every penny of it. So strip them all of it and put it into the fund you are trying to meet your indebtedness with.

Now let us take the third category. Two hundred and forty-one persons have an income between \$30,000 and \$50,000. They have paid a total to the treasury up to 30th April, 1918, in the way of income tax of \$821,659, or an average of \$3,400 each. That amount is the tax that would be collected under the first Income Tax Act upon men having an income of \$39,000, therefore, \$39,000 is the average income of those 241 persons. How much would the whole 241 receive as an income? They receive \$9,400,000. Very well, take it all and put it towards meeting your war indebtedness.

Now we come to the fourth category, the persons who have an income of from \$20,000 to \$30,000—461 persons. They are paying \$700,216, or an average of \$1,500 apiece. Now \$1,500 is the tax a man would pay, under the first Income Tax Act, on \$24,000 income. Very well, the average income for these 461 persons is \$24,000 a year. Let us take every cent and the total amount is \$11,064,000. That takes in the whole of them.

Now then to recapitulate. We have twenty-four millionaires with an income of \$190,000 apiece; 125 semi-millionaires with an income of \$55,000 each; 241 one-third millionaires with an income of \$39,000 each; and 461 quarter-millionaires with an income of \$24,000 each. Add all these amounts together and you get 851 so-called rich men whose total income amounts to \$31,899,000. But under your present taxation you are going to take from these people \$4,750,000. Consequently if instead of assessing at usual rates your 851 millionaires, semi-millionaires and demi-semi millionaires you would strip each one of his total income you are going to get \$27,000,000 more than you otherwise would. That is not going to go very far towards meeting \$300,000,000 required. Of course, this is ridiculous, and we all admit it. No government outside of Russia, would undertake to strip a man of every dollar he receives of income over \$20,000. Suppose you leave them with \$20,000 each and deduct \$17,000,000 income from their combined total income and you would get just \$10,000,000 if you took every dollar that every man in Canada who made return, has by way of income in excess of \$20,000 a year. I only need to lay these figures before the House in order to show you how ridiculous is the argument that we hear so constantly put up: "The only thing we have to do, is to make the income tax

press more heavily on the millionaire." Of course the state could take every penny a man has over \$20,000 income. If you do that it will not increase your total revenue to an extent that will make any appreciable difference in the immense total that you have to raise.

Now let us take another phase of the subject for a moment before I sit down—and I do not want to speak very long tonight. Nobody likes to pay taxes. We city men do not like to pay taxes; and the farmer has shown that he does not enjoy this any better than we do. In the legislation we have had since the beginning of the war the farmer has not had much to complain of; for whenever a new tax is put on he has not been called to pay it to any considerable extent. When we come to put on a business profits tax—yes a business profits tax—oh, what care we take to put in a clause that the business of farming and live stock raising shall pay no business tax. Yet there are ranchers in the West who have been reported to have an income of \$100,000 a year, and there are some grain growers that make almost as much. I think I can point to one in Alberta who made that much in one year.

Mr. J. F. REID: Would the hon. gentleman give us the average?

Sir HERBERT AMES: I cannot give the hon. gentleman the average. I would if I could because I have nothing to hide. Now we will take up the matter of the income tax paid by the farmers. I had the curiosity to ask a question as to how many farmers paid income taxes and my hon. friend from Maple Creek (Mr. Maharg) who spoke last evening, and who is the President of the Grain Growers' Association I think, attributed to me sinister motives. I did not have in my mind any intention of placing any section of the country in unfavourable contrast with any other section; I simply wanted to learn how much the farmers paid in income tax. The farmers are 54 per cent of our population. I think we all admit they enjoy a very considerable degree of prosperity at the present time and therefore we hoped they would pay some income tax. Out of the 31,130 income tax payers, I find in that first return there were 3,623 farmers. In other words 14 per cent of the total payers of income tax were farmers, and 86 per cent consisted of the rest of us. I find that the farmers paid 3½ per cent of the total sum collected while the rest of us paid 96½ per cent.