

of justice and progress, the future development of Canada will be absolutely safe. At the present time the French and the British combined comprise more than eighty per cent of our population and yet, because we are trying to bring the remaining fifteen or twenty per cent of our population from abroad, we hear people saying that there is a danger of British ideals and Canadian ideals being destroyed and the British people being wiped off the face of the Dominion. That argument does not in the least appeal to me.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, I regret that I cannot congratulate the last speaker, the hon. member for North Battleford (Mr. McIntosh), on the suggestion that he has given the house for the reduction of the national debt. His suggestion, as I understand it, is that wealthy persons in Canada should be asked to come forward voluntarily and from patriotic and altruistic motives pour their shekels into the national hat. This comes rather peculiarly from the supporter of a government that has just announced a substantial reduction in the income tax and that proposes eventually to eliminate it entirely. For the year ending 31st March, 1928, the Minister of Finance (Mr. Robb) estimates that income tax collections will amount to \$55,300,000. I find from the Canada Year Book that in the year 1926, 1,233 people, that is, those with incomes of \$20,000 per year and upwards, paid 92 per cent of the total income tax, and it is for these needy people that the Finance minister proposes, as he stated in his budget address, to continue "gradually to lighten the load in the income tax field." Shifting the burden from this infinitesimal proportion of the population would not be so bad did it not necessarily involve placing the burden on the shoulders of the great mass of the population. The minister, of course, intimates that this proposal is in the interests of those provinces that now have income tax systems of their own. I should like to examine that proposal for a moment.

I think the assertion will not be challenged that the great majority of these large incomes are found in the central provinces, in Ontario and Quebec; but, Sir, I think it will not be denied that these incomes are earned from all over Canada. They are the large salaries drawn from transportation companies, financial companies of various kinds, insurance companies, companies doing business and earning profits in the maritime provinces, in the prairie provinces, and in British Columbia, as well as in the provinces of Ontario and Quebec. The maritime provinces today in spite of some relief they have secured,

[Mr. McIntosh.]

are still labouring under a sense of injustice. The prairie provinces are suffering a similar injustice—in fact their position is very much worse because they have been refused the return of their natural resources; that is a standing grievance in the prairie provinces. Now if you leave this income tax field entirely to the central provinces, a source of taxation which I believe should accrue to the whole people of Canada—if you centralize it again in the central provinces you will simply intensify and increase that dissatisfaction, and I say that a procedure of that kind may be fraught with serious consequences.

Those of us in this section of the house who object to the reduction in the income tax are frequently met with jibes and reminded that the farmers whom we principally represent pay very little income tax. It is unfortunately true that very few of those engaged in the agricultural industry owing to the small returns they receive from their work are liable under the income tax law. But it is absurd to suggest that farmers and working people do not contribute materially to the federal taxes. According to the minister's budget speech estimate, the revenue from taxation for the year ending March 31, 1928 will be \$357,000,000, of which \$298,600,000 will be collected through the customs department in import duties, excise and sales taxes. Now every farmer and every workman who purchases a pair of boots or a pair of overalls or a calico dress contributes in some form or other to the federal taxes. In the United Kingdom forty-five per cent of the total revenue is derived from income and inheritance taxes. The United States receives sixty-four per cent of its total revenue from income tax while Canada receives less than fourteen per cent from this source and, the minister, whose heart aches for these needy rich, proposes now to eliminate even this fourteen per cent. And still we are calling upon the people of the United Kingdom and of the United States to come to this country as immigrants to assist us with their brain and their brawn in the development of the natural resources of this country and in building up here a great Dominion. I would suggest that the immigration literature which we distribute among these people should include these figures I have quoted, and that the people should be told frankly that they are invited to come here and share a larger proportion of the burden of taxation than their class is obliged to bear in the countries from which they come.

I submit in any case, when the minister had decided to reduce the income tax, that it