

no sort of doubt that at the moment the citizen is taxed beyond his ability to pay, and the most unfortunate of all and the most in need of urgent and substantial relief is the income tax payer.

It will be seen that Lord Decies refers in the first place to the extremely high income tax levied in England. The hon. member for St. Lawrence-St. George (Mr. Cahan) is under the impression that the change in the income tax provisions is not in the interests of the Canadian people. He does not yet see why the man who derives his income from investments should be taxed. It is all right for the man who works for his living to pay taxes out of the money he earns but the man who gets his income from investments should not be taxed at all. That, I gather, is the view the hon. gentleman takes. Under the income tax law as it stood before, the man with an income of \$10,000 would pay only \$110, whereas he will have to pay now \$290; and the man who worked for his \$10,000 paid formerly \$480 while under the present arrangement he will pay \$290 also. In other words, they are both on the same basis. Surely that is fair. The man with an income derived from investments may have inherited it from his grandfather; he may never have helped to earn any part of it himself. With Canada requiring taxes in order to meet the tremendous burden of debt which we have to discharge it is therefore only right that such a man should contribute his fair share of taxation. He ought to be taxed to the same extent as the man who has to work for his living. It would appear to me that the change in income tax is placing the burden where it belongs, and it should meet with the approval of the great majority of the people.

The hon. member for St. Lawrence-St. George said that the change would have the effect of stifling business inasmuch as people would not want to invest their money in corporations. Well, we might as well say that during the war Canadians should not have been patriotic enough to enlist but should all have gone over to the United States. We realize that we are Canadians and we must be patriotic to the country we live in, and I believe that the people who have investments in Canada are as loyal as those who have to work for wages or salary and are quite as willing to pay their fair share of taxation to keep the country going.

I intended to touch upon the railways, but as the hour is getting late I will refrain from doing so. However, I would point out that, in order now to take advantage of the British preference, shipments must be made through Canadian ports, and that should help to solve in part the difficulties of the Maritime prov-

[Mr. Bothwell.]

inces, and operate at the same time to the advantage of the railways. It is proposed that after January 1, 1927, the benefits of the British preferential tariff shall apply only to goods conveyed direct, without transshipment, into any sea or river port of Canada.

We have heard a good deal in this House as to the amount of Canadian grain going through American ports, and we hope that we shall be able to evolve some system whereby that grain may be shipped direct from Canada. But no one has referred to the amount of American grain that goes through Canadian ports. I have here *Doings in Grain in Milwaukee*, the official publication of the Chamber of Commerce of Milwaukee, showing the amount of American grain from Milwaukee that has gone through Canadian ports, and I find that last year the shipments totalled 3,712,066 bushels of wheat, corn, oats, barley and rye. I also obtained from the Statistical branch the amount of the United States grain generally going through our ports, with approximately the amount of money realized by the Dominion in handling that grain. In 1924-25 we handled 88,641,161 bushels of United States grain. From the handling of that grain we derived a revenue of approximately \$7,761,636. Those figures are not exact, but they are as near as could be compiled without taking into account some short branch railway lines. Now we are deriving that revenue from American grain, and although our grain has gone through United States ports in different years, in 1924-25 111,000,000 bushels, approximately, 88,000,000 bushels of American grain has gone through our ports.

Before closing, Mr. Speaker, I wish to draw to the attention of the House the way in which the budget has been received by some of our newspapers. I have not dealt with the reduction in the rate of postage, the abolition of the receipt tax, and various other matters mentioned by the Minister of Finance, but these are incidentally referred to in some of the quotations that I now propose to place before the House. The Vancouver Province contained the following:

The budget is a good one, businesslike, cheering and hopeful, and—what is not unimportant to the government—politically valuable. Mr. Robb is to be congratulated both upon the circumstances which have enabled him to make so satisfactory a statement and upon his courage in taking advantage of them.

I quote from the Vancouver Sun:

Having proved to the people of Canada that its conception of government is the creation of prosperity among the people rather than the filling of government coffers, the Mackenzie King administration stands in a position to-day to embark on a programme of development that will raise this country to a new peak of affluence among the nations of the world.