

*Advance Copy*  
OF  
SPECIAL COMMITTEE'S REPORT  
ON  
TAXATION

*To appear in forthcoming issue of "Review"*

TAXATION

Early in the year your Council appointed a Taxation Committee "to investigate, study and report on all forms of taxation as it affects business. The result of these studies would be primarily for the information of the Board, and be available for the use of the Council in its representations to Municipal, Provincial and Federal authorities—"

The task undertaken by the Committee under the direction of Mr. Owen Lobley has been a gigantic one. It has not yet completed its job. Few can appreciate the amount of work involved, and the thanks of every Member of the Board are due to the Chairman and each Member of his Committee.

An interim report, submitted to the Council on 8th January, 1936, together with covering letter, is set forth in full.

Montreal, December, 1935

To the President and Council of  
THE MONTREAL BOARD OF TRADE,  
MONTREAL.

DEAR SIRS:—

Among the several statements which have been collected or compiled by your Committee on Taxation for the development of its report under your terms of reference of the 16th April, 1935, is one which discloses within the compass of a single table the course of public finance over the post-war period of the years 1919 to 1934 inclusive, never before assembled in this consolidated form. Its implications are of compelling significance and your Committee has thought it well to submit the statement to you, rather than await the submission of its general report, which will not be available for some months to come. The statement is supplemented by a memorandum which discusses the data disclosed therein, advances certain questions sug-

gested thereby and concludes with a recommendation.

A study of the trends disclosed by the statement raises issues which seem to your Committee to strike at the roots of the question of taxation, and if budgets are to be balanced it is clear that, far from any early alleviation of the burden of taxation being possible, an addition to that burden must be imposed, even though concurrently there be a reduction of federal, provincial and municipal public expenditures.

As an educational step towards making the public conscious of the magnitude of Canadian public debts and the inevitability of an increase in taxation if faith in Canadian public credit is to be maintained, your Committee invites you to consider making available to your members and to the public the enclosed statement of the course of public finance over the post-war period, and the memorandum which accompanies it.

Respectfully submitted on behalf of the Committee.

OWEN LOBLEY,  
*Chairman.*