

income taxation. Prior to the war, when we made money, we did with it as we liked. Because of war indebtedness, the Government claimed from ten to sixty per cent. of it, and we stormed about it.

Meantime, the thing happened that always occurs when men must struggle. We worked harder; we produced more; and all unconscious to the pessimists and fault-finders we steadily accumulated liquid resources. During and since the war we brought back from England millions in value of Canadian securities which had been sold to British investors prior to the War. We replaced with our own money the British and Continental monies which had been previously available for lending on mortgages in Canada. We increased our railway tonnage so that each year registered a marked betterment in net earnings, culminating in this year, when the lines of railway now in the National System, which in 1920 registered an operating deficit of thirty-two to thirty-four millions of dollars, will register, for 1926, net operating revenues of forty-five to forty-six millions of dollars; while the great private Railway Corporation tells the same story of increased earnings. The Minister of Finance announced two weeks ago that eighty per cent. of the National Debt of two billion four hundred million dollars is held in Canada, and this in contrast to not one dollar of Dominion loans being held by the people of Canada prior to 1915. While these evidences of liquid resources multiplied, savings bank deposits increased from 1915, six hundred millions of dollars in addition to an increase of tens of millions of deposits in other financial institutions. The savings of our people during the same period in