

benefit the country. You are proposing to make a small immediate direct saving, but the ultimate loss will be very great in injury to or the closing of these industries and in shaking the confidence of outside investors in this country.

Hon. EDMUND BRISTOL (Centre Toronto): Mr. Speaker, it is obvious that we are anxious to keep in Canada all the people we have here, if for no other reason than that they may help in the payment of our national taxes. It is equally obvious that we would like to bring back from the United States the hundreds of thousands of those who have been going there for a long time past, and particularly during the last two years. It is of much more importance that we should solve these two problems than that we should bring in immigrants from different parts of Europe who apparently spend one year in Canada and then go over to the States as fast as they can. In anything I have to say to-day I have no desire to find fault with this government or with any government; I shall simply try in a fair fashion to examine the difficulties which beset us and to see whether there is not something that we as a nation should do to help the situation.

Unquestionably we have a difficult situation to face. We have a national debt as a result of the war, which is costing us \$200,000,000 a year. We have the National Railways, which, unfortunately, largely on account of the ambition of our friends opposite, are now costing us about \$75,000,000 a year, and we have to pay our debts as we go along. We are subject to taxation which is greater than that of any other country. We cannot meet our yearly obligations unless we get people into Canada and keep them here, and unless we get money into Canada. I do not think that even my farmer friends, who may differ from us on many other points, will deny that it is a national necessity that we should keep our people here. We must first of all make our farmers prosperous; we must get more people into the country, and we must get—I hope—our own people back from the United States. In order to do all these things we must have additional capital, and if we are to get additional capital we must make the conditions just as favourable here as they are in the United States, which naturally is our greatest competitor, and which has more capital than we have.

Looking over the Ottawa Journal to-day I noticed an article on the subject of the Canadian and United States income tax, and a few of the figures given in that article are

illuminating. For instance, on an income of \$3,000 the Canadian tax is \$40 where the United States tax is \$7.50. Is it any wonder that our young men think of going to the United States to earn an income of about that amount when they are taxed only \$7.50 upon it? Then, on an income of \$4,000 the tax in Canada is \$80 where in the United States it is \$22.50. Is it any wonder that our men are going to the States? On an income of \$5,000 the tax in Canada is \$126 and in the United States \$37.50. Then, when you come to the higher incomes, which many people think should be dumped over to the government: On an income of \$1,000,000 the tax in Canada upon a man who has worked hard enough to get that amount is \$696,000 while in the United States it is \$429,000. Take even an income of \$10,000, which is an average income in this country for a great many people: the tax in Canada is \$619 while in the United States it is \$207.50. Then take the wages that are earned in their respective countries: Young ladies who work in the stores, for example, get \$13 in Ottawa and \$30 in Detroit.

I do not think that the tariff changes which my hon. friend has suggested will have the effect at all of assisting the country in overcoming the difficulties we are discussing. On the contrary, we scared the life out of the manufacturing interests of this country that we were going to have eventual free trade, and that did more harm to this country than any tariff changes he made, because the tariff changes he has made have not been for the benefit of the farmer, but for the benefit of the manufacturer of agricultural implements. A short analysis will show my hon. friends that the manufacturer of implements is making more and the farmer making less. Iron, steel and other materials going into the manufacture of these implements come in free from the United States, and the manufacturer of agricultural implements is making just as much to-day as anybody in the United States. The farmers may think they are being materially aided by the tariff changes; I hope they are, but I am satisfied they will find on closer examination that the manufacturer of implements is the one man who is better off, and every other manufacturer connected with that industry, and the great mass of people in this country who are interested in manufacturing, have been injured by certain statements made by a couple of the ministers that the Liberal party is now headed on its journey towards complete free trade.

I say to my farmer friends, to start with, that I do not know any stage in the history