

will be the means of procuring employment for returned soldiers. Have we reached the point that Canada will spend millions of dollars to make navvies of our returned soldiers? While I do not look upon the returned soldier as a first-class colonizer, or as a desirable agriculturist, still it is far better to direct the soldiers on the land in the West, according to the legislation introduced the other day by my hon. friend the Minister of the Interior, rather than to reduce him to the status of a navvy. Pray, do not insult the soldier by branding him as a navvy on his return. My hon. friend expects that the people of this country will voluntarily submit to this taxation. Perhaps so, but they will expect him to be the faithful watchdog of the treasury and see that no extravagant expenditure is made, such as the Quebec and Saguenay expenditure and the Highways Bill expenditure.

Now I come to the point I raised a moment ago, the Dominion War Loan security. I quite agree with my hon. friend that the people of the country should be impressed with the fact that it is right and proper that such security should be free from all taxation. I approve entirely of that principle. Perhaps I did not make myself clear on the subject, but the point I wished to place before my hon. friend was this—by this exemption of taxation as regards the Dominion War Loan securities, you invite, so to speak, capitalists and investors generally to transfer their funds from industrial investments to Dominion War Loan securities, and thereby you create this bonded aristocracy to which I referred the other day. I would like my hon. friend to examine that point and see whether it is right that a gentleman drawing dividends from industrial investments liable to taxation should transfer his holdings into Dominion War Loan securities and thereby avoid all taxation. I know my hon. friend gave good reasons, and reasons which I approve of as being quite proper and patriotic, why our Dominion War Loan should be exempt from taxation.

Mr. SCHAFFNER: May I ask the hon. gentleman a question? Is it not likely that those industrial investments would be earning more than five per cent, and is not that a reason why investors would not withdraw from industrial investments in favour of the war bonds?

Mr. LEMIEUX: If my hon. friend will consult the market returns he will see that since the beginning of the war there has

been many a slump in the market, and there is much uncertainty in the minds of the investor as to the aftermath. Owing to that uncertainty, people are disposed—and indeed more than disposed to transfer their holdings into Dominion war loan securities. As a matter of fact, many of them have actually done so.

Sir HERBERT AMES: May I point out the fact that an industrial security usually brings a very much higher return than the Government war securities. If the industrial security does not bring a higher return than five per cent, it only sells for fifty or sixty cents on the dollar, and if a man wished to convert such industrial securities into war bonds, he would only get about half the amount of war bonds.

Mr. LEMIEUX: My hon. friend is too keen a business man not to know that practically all industrial holdings which pay large dividends to-day are war industries. The war will come to an end some day, and those securities will be valueless or practically so, then you will have to build up new peace industries, and it may take years before they are in a position to yield the same average return as they yielded in ante-war times. Take the paper industry for instance. I happen to know a little about the business, because I represent one firm dealing in pulp and paper, and I have seen the European and United States contracts that firm had before the war. Compare those figures with the contracts which they are making to-day, and tell me if the present contracts will last long after the war, when we shall have reverted to normal conditions? It is only a passing prosperity. As was stated last year by my hon. friend from Pictou (Mr. Macdonald), it is a fictitious prosperity. Take any industry, and tell me if present conditions will continue after the war? Perhaps in the case of the steel industry they may, because of the reconstructive period which will ensue, but do you believe that after the war conditions will be the same with any other industry as they are at the present time? And that the large dividends now being earned will continue? Therefore, I say to my hon. friend from St. Antoine, that the investors who receive to-day those large dividends, dividends for which war conditions are primarily responsible, will not fail to acquire non-taxable war bonds.

Do you believe that these people will ever live in a fool's paradise and not think of the aftermath, when as the first news of peace is flashed out there will be a slump, when values will decrease and dividends will