

Hon. Sir JAMES LOUGHEED: That is the reduction proposed. It may be increased.

There is a phase of income tax which amounts practically to confiscation. We in Canada held up our hands in holy horror when it was suggested that if the Labour party came into office in Great Britain there would be a levy on capital. In the case of the larger incomes the income practically becomes capital because many of the wealthier classes may not spend more than ten or fifteen per cent of their income, and thus add to their capital, which goes into the many industrial activities of the nation. But immediately we bring that money within the compass of the income tax you cannot expect the capitalist who thus has his capital confiscated to become interested in the industrial activities of the nation. He says at once: "No, I will not take chances on going into the development of natural resources or the building up of the industrial resources of the nation; I will put my capital in Government bonds and that class of security which is non-taxable." For instance, honourable gentlemen, I venture to say that most of the war-bonds which we have issued in the Dominion of Canada as non-taxable are held by the wealthy men of Canada, and instead of their incomes going into the development of our resources they are locked up in the vaults of the various banks and trust companies of the country.

Another consideration is this—and I have only to mention it, I fancy, to impress upon honourable gentlemen the truth of the statement: There is no development going on in Canada to-day for that reason. Go into our cities and you will observe that any building, or any development whatever, is most exceptional. Are there any new industries being built up in Canada? If there are, I am not aware of them, and I have been from one end of the country to the other.

Hon. Mr. POPE: They are shutting them up.

Hon. Sir JAMES LOUGHEED: They do not come under one's observation. On the contrary, one is shocked by the great number of industries which are being closed up. And it is all due to the fact that we are following a most suicidal course in practically confiscating the capital that should go into the activities of trade and industry.

I have read, honourable gentlemen, what Great Britain has done, and what the United States has done. Let us consider what Australia and New Zealand have done along the same lines. Australia is using an annual surplus of revenue over expenditure to reduce her

public debt, which in 1922-23 was £335,000,000 or less than two-thirds of our own. And here is what Prime Minister Massey, of New Zealand, writing in the Nineteenth Century, says about what his own country is doing:

For the year ending March 31st last, the Government was able to announce a surplus of £1,315,638. Last session it became possible to reduce the income tax by twenty per cent; to reinstate penny postage; to remove the income tax from farmers, and leave them subject only to the land tax; to assist ex-soldier settlers to the extent of probably two millions sterling; to increase soldiers' pensions in the aggregate by about eighty thousand pounds per annum; to abolish the amusement tax on admission on all tickets not costing more than one shilling, and also the duty on tea.

May I add to what I have already mentioned, that in this evening's Journal appears the following cablegram, which will illustrate what further efforts are being made by the Government of Great Britain to reduce expenditure and taxation:

London, March 4.—A saving of £37,000,000 is shown in the estimates for the Civil Service and Revenue Departments for 1924-25, now available, the figures being £289,874,727, as against £327,212,872, the previous year. The principal reductions are £7,500,000 for the colonial services; £6,750,000 for the Ministry of Pensions, nearly £3,000,000 for the middle eastern services, and \$2,000,000 for the Ministry of Labour.

I would commend to my honourable friends' attention the efforts that are being made by those nations to reduce their debt. The burden is crushing us in Canada. It is strangling industry, paralyzing trade, and will destroy our national future if some immediate change is not made.

So that honourable gentlemen may not think that I am moved to make this criticism by the statements which have appeared in the press and the resolutions which were passed by commercial bodies during the last summer, may I remind you that at last Session I directed the attention of this Chamber to the situation; and, if the House will pardon my repeating what I then said, I shall read a short extract:

This is not an exaggerated statement. We are imposing taxation to such an extent as to throttle business, prevent development and progress, and bring about final collapse. The Government of the day is not showing the slightest interest or intention of grappling with this very important problem. We have taxing bodies multiplied throughout the Dominion. We have the Federal Government imposing taxation; we have the Provincial governments imposing similar taxation, such as the income tax; and many of the municipalities have power likewise to impose income tax. The provinces to-day are imposing a direct tax upon property as the municipalities are doing; and, unless some intelligent effort is made to deal with this very important subject, Canada will be taxed to a condition of disaster.

There certainly should be some organization of experts to take up this matter with the provinces and the municipalities so that there will not be this multiplicity of taxing bodies imposing similar taxes. I say this, honourable gentlemen, not with a view of criti-