

into the hands of a little group of people mortgages on the entire wealth of Canada. The result is that to-day a comparatively small group of people is receiving an annual tribute from the rest of the citizens of Canada of \$100,000,000 per year. Further than that, of this enormous tribute over one-half is tax free.

Mr. LANCTOT: That is worse.

Mr. WOODSWORTH: Much worse. That is the thing to which we need to pay attention. That is the situation with regard to our internal affairs.

I should like to ask, in passing, one other question: How was this debt created? I think attention has been drawn within the last two or three years to a little pamphlet issued by the Liberal party, back in May, 1915, with regard to war contract scandals—horses, boots, drugs, binoculars, motor trucks, and so on. This same matter is alluded to in a motion already on the order paper of the present session. It was stated at that time:

One outstanding fact in connection with the investigation should be kept in mind. The total amount of money involved in the purchases investigated was no more than \$3,000,000. This included the price of the submarines. In other words, the Public Accounts committee's investigation touched less than one-sixteenth of the \$50,000,000 voted by parliament in August for war purposes.

What about the other two billions that were spent on the war? What are we going to do about it? Simply forget all the past and burden ourselves, and our children, and our children's children with these enormous loads? Have those who looted the public treasury been prosecuted? This is the question that many are asking to-day, though it may not often be asked in this House. Has the government sought to recover the loot? No. On the other hand we continue to pay interest on the graft. It may very well be said that many of the present bondholders are innocent. That may be true, but I submit that in ordinary legal practice the receivers of stolen goods, although they may suffer hardship, are not protected in this way.

I should like to pause for just a few minutes to consider another development that has taken place in Canada that will bring us under bondage not merely to a portion of our own people, but ultimately to an outside nation. In a review of the United States investments in Canada, issued by the United States Department of Commerce under the direction of Herbert Hoover, the following statement is made:

Economically and socially Canada may be considered as a northern extension of the United States, and our trade with Canada is in many respects more like domestic trade than our foreign trade with other countries.

[Mr. Woodsworth.]

The United States capital invested in Canada, the department shows, has increased from \$420,000,000 in 1915 to at least \$2,425,000,000 in 1922, or nearly six-fold. In the same period British capital in Canada has remained very nearly stationary, amounting to \$1,860,000,000 in 1915, and to \$1,980,000,000 in 1922. Further than that, the United States in recent years has largely replaced Great Britain as Canada's banker. In the eight years just preceding the war 73.5 per cent of all of Canada's borrowings were from Great Britain and 9 per cent from the United States. In the eight years ending with 1922 only 2 per cent of Canada's borrowing came from Great Britain and 33 per cent from the United States. I might add, on the authority of Sir Frederick Williams-Taylor that in 1924 Canada's borrowings in the New York market amounted to two hundred millions which, as he quite correctly points out in a passage already quoted, means a definite added interest charge on the people of this country. It would seem that if these conditions continue very much longer Canadians may be reduced to the position of being literally hewers of wood and drawers of water for the capitalists of the United States. Then too, it should be noted, these enormous incomes that are being enjoyed by the people of the United States are not taxed as the Canadian incomes are taxed. According to the Commissioner of Taxation "under the provisions of the Income War Tax Act, 1917 a non-resident is not liable to income tax in respect of dividends or interest paid to him by the Canadian company." So there we have the situation, that although enormous wealth is being produced in this country a very considerable proportion of it is being drained away to others who do not assume their fair share of the load. I have nothing whatever against the capital being American in ownership; but this condition enables us to see very clearly the character of the great economic movements of the present day. There are some in the west who will tell us that the solution is to break up confederation. There are some from the east who are inclined to echo the same doctrine. I do not wonder very much that this position is being taken by those who are carrying an undue proportion of this load. But I should like to urge that economic questions are deeper than political questions, and that economic questions cannot be solved by mere political methods; they require economic solutions.

I should like now, for a few moments, to come particularly to the Speech as it refers to the labour people of Canada. I do not know that it was any great surprise but