

exempt from the terms of the Business Profits Tax Act. I happen to know of a farmer in Southern Alberta whose revenue last year was an amount running into six figures. He is in the grain growing business, and is not touched by the Business Profits War Tax Act. I know also of a rancher not far from Calgary who made several hundred thousand dollars last year through raising horses as a business—and he pays no business profits tax, because his business is exempted under the statute. Those who are engaged in raising grain and cattle and horses would not object if they were included among those who are liable to the business profits tax and given the same opportunity which the rest of us have to contribute toward the expenses of the war. It is true that they pay income tax, but that amounts to probably only one-third as much as would be paid under the business profits tax.

It will be necessary for us in every way to stimulate the sale of our bonds. The manager of a trust company with whom I was in conversation the other day pointed out to me how difficult it often was to pay the succession duties in connection with an estate out of its liquid assets. Particularly in war time, a large number of securities are far below their normal value, and, in order that the succession tax should be paid, it is often necessary to sell securities at a figure which causes considerable pain to the trustee. Would it not be possible for the Federal Government to persuade the treasurers of the provinces to accept Government bonds in payment of succession taxes? In that way a man who was making his will and felt that the time was coming when his estate should be liquidated, would buy a certain amount of Government bonds, knowing that they were as good as cash for the payment of succession taxes, and that the shrinkage would not be the same as it might otherwise be.

I would also ask the acting minister to consider the matter of the limitation of exemption from taxation of future Government bonds. A very large share of the wealth of the country is passing into Government bonds; we may have several billions of them before we are through. Every time that an investment that is taxable passes into a Government bond, it ceases to be revenue producing so far as we are concerned. While it may be subject to a provincial tax, it cannot be taxed by the Federal Government unless the Federal Government breaks its plighted word. We should consider that what may be perfectly justifiable with \$500,000,000 Government

bonds outstanding, may be dangerous if we have \$1,500,000,000 or \$2,000,000,000, because the time may come when a very large portion of the wealth of this country may be in Government bonds and may be held in such large sums that some people whom we feel we ought to tax will be entirely exempt.

I apologize for having taken up so much of the time of the House. I have, I know, laid before the House figures which are accessible to all and facts with which every one of us is probably already acquainted, but I have done that because I thought it was desirable at this time that we should get back to the real question at issue—how are we going to bear the financial burden entailed by this war? We are about to assume new burdens. If an election was in sight, I would say that we feel very much like the gladiators who exclaimed, "We, about to die, salute you." We shall no doubt, receive objections from our electors to this taxation. We must be prepared to defend the action of the Government in this regard, and as I said some time ago, we must, one and all, endeavour to help the Government in the flotation of its loans. The review of what Canada has accomplished during the last four years in financing this war will not only enable us more intelligently to deal with the problems of to-day, but should give us courage and inspiration for the future.

Mr. O. TURGEON (Gloucester): Mr. Speaker, in rising to make the remarks which I believe it is my duty to make on the present occasion, I wish to say that at this hour I intend to be as brief as possible. I wish to express a few sentiments which it has been my pleasant duty to express in four Parliaments in succession before this one which it has been my privilege to attend as a member of the House of Commons. In facing the House to-night I find myself in circumstances quite different from those in which I have been during the last eighteen years I have sat in this House. In former years, sitting on the same side as the acting Minister of Finance (Mr. A. K. Maclean), I was always ready to stand by him and to applaud his remarks which were in favour of free trade or tariff reform for Canada. To-day I find that he has taken another position; that he is in the new Government called the "Union Government." I have no doubt that, impelled by conscientious motives, the Acting Minister of Finance and some others of our friends have left our revered leader and the Liberal party on this side in order