

national affairs for this year the statement that the results of the past year from government services show a surplus is something which cannot be sustained. If the High Commissioner in London, England, is to be given credit for this rearrangement of four million dollars of an asset, let him have the credit, Mr. Speaker, but do not let the Acting Minister of Finance rise in his seat in this House and say that this is due to government services when we add this four million of unpaid interest to our supposed to be on paper surplus for the year which has just closed. No, Mr. Speaker. If Roumania owed \$23,969,720 and Greece in like manner owed \$8,000,000 in addition to that unpaid interest of \$4,000,162, of course it must be brought in on the books of the country, but do not let the minister rise and take credit for having a surplus, and do not let the Liberal press of the country give the government credit for having a surplus of five million odd, when as a matter of fact it is not a true, frank, honest and clear statement as to where the finances of the country stand at the present time.

There is another subject, Mr. Speaker, which is dear to the heart and mind of everybody who takes an interest in public life, as to which a good deal will be said when the next election takes place, and that is the question of taxation. I was just thinking, reverting to olden times, back to the days before Christ, that we might possibly find in the Good Book, if we could not find it anywhere else, some lead as to what we ought to do in regard to taxation, and what proportion or what percentage taxation should bear to the production.

In the year 1922 Canada with a population of 8,788,483 paid in taxes about \$561,460,037. This staggering sum was made up as follows:

Municipal taxes.. . . .	\$178,664,291
Provincial taxes.. . . .	47,342,405
Dominion taxes.. . . .	335,453,341
Total.. . . .	\$561,460,037

This enormous sum representing the cost of our present civilization and maintenance of law and order was equivalent to nineteen per cent of the total net production of our Canadian industry, including mining, fishing and agriculture. It was almost half the net agricultural production and exceeded the combined gross production of Canadian forests and mines. It was fifty per cent of the manufacturing production of that year, and I was going to say that consciously or unconsciously, directly or indirectly, every family in Canada is paying a share of this amount because it enters into the cost of living.

I think the sooner we get back to the old system of taxation, ten per cent of production, and get our governmental institutions back to the ten per cent laid down by the tribe of Levi under the Levitical law the better it will be for the people all round. Time and again civilization has been censured for tithing the people over 10 per cent, but I wonder what sort of a censure we are going to receive if we continue to tithe the people, as we did in that year, by taking nineteen per cent of the value of production of the country to maintain law and order and our present civilization. We all realize and recognize that there are factors which must be grappled with. The interest on our debt, for instance, and the question of pensions are matters which we are in honour bound to pay, and which we do not object to paying, and these will be with us for some time.

I should like to put on record how the interest on the public debt has increased in the last two decades. In 1903 it amounted to \$11,068,139. In 1903 our pensions were \$87,925. Ten years later in 1913, the interest on the debt was \$12,605,882, and the pensions were \$283,188. In 1923, interest on the debt amounted to \$137,892,735, and pensions were \$32,985,998.

These moneys must be paid and we must find revenue to pay them. We are in honour bound to find revenue to pay these debts in conjunction with our other liabilities. But when the present government find it necessary to enunciate a policy, which some of their supporters had in mind and which some did not have in mind, of reducing the tariff of this country, which has been reduced by some two per cent of the value of the goods imported, I call their attention to the fact that our importations run in the neighbourhood of \$800,000,000, and that every one per cent means a loss in the revenue of \$8,000,000, as well as stagnation, uncertainty and a tendency for business interests to become unstable. If the present government had had the good sense to hold on to the position achieved in 1921, the coffers of this country would have been in receipt of \$15,687,705 more than they have on hand to-day.

When the government made that reduction they made a move in the wrong direction, and not a move which would tend to allow us to meet the interest on our debt and to pay the obligations which we are in duty bound to pay. But the loss of \$15,687,000 as a result of this reduction of about two per cent since the Liberal party came into power is not the matter of most importance.