

Finland, France, Germany, Greece, Hungary, Irish Free State, Italy, Jugoslavia, Norway, Poland, Argentine, Brazil and many others. Practically all these countries are paying large sums into sinking funds for the retirement of their obligations. There is one notable exception—Canada.

None of the Canadian issues listed have any sinking funds to retire them by maturity. Only one of them can be called for payment to take advantage of cheap money for conversion or refunding, and that issue is \$100,000,000 5 per cent bonds, and is not callable prior to 1942.

So, when the hon. Minister of Finance sees no necessity or obligation to propose a debt retirement plan he is out of step with all the financial authorities of Europe and America. He places Canada in a position of complacent isolation. An announced plan of grappling with the debt problem would strengthen our hands when we come to finance, which we must do in the comparatively near future. We can strengthen our position and bring it into high relief. To flaunt before the eyes of parliament and the country a huge surplus is but to glorify over-taxation. The announcement by any government, that taxes are extracted from the people of Canada far in excess of all requirements, is but to invite the government supporters to press for capital expenditure for political expediency.

As I see it, Mr. Speaker, this Dominion is in need of business administration, both as to capital and current outlay, and a reduction of taxation to actual financial necessities. We are spending too much money uselessly, prodigally. Last year, in the old land, after the estimates had undergone their annual scrutiny and had passed the house, the government undertook a campaign of economy, and they clawed back over fifty millions of dollars—£10,500,000, to be exact—that had already been voted. What this country needs is a little clawing back of unnecessary expenditure. Taxation should be so low that the Minister of Finance would have to do some real clawing to balance his budget.

What I propose in regard to the debt is that after the most searching investigation, there should be put into effect a scheme of orderly reduction, year by year, over a fixed period, at the end of which the whole of Canada's funded obligations as they stand at present shall have been retired. Furthermore, that all future issues of securities by the Canadian government shall be payable in instalments of principal and interest, or be

[Mr. Matthews.]

payable serially, or have sinking fund provisions, that will retire them in a fixed period.

This question is not sectional or territorial. It is not political. It is national in the highest and truest sense. In it, to a degree, is wrapped up the economic well-being of the nation. The goal is definite and attainable. That attainment is in the interest of all the people. Its influence on the budget should result in the lowering of taxation so that the real needs of the country, and that only, should be the paramount test of estimated outlay.

For these reasons, Mr. Speaker, I urge with earnestness and confidence that Canada be allowed to take her rightful place financially with other nations. No country has a more assured future and, therefore, none can more easily plan and complete the absorption of her outstanding obligations.

Mr. E. J. YOUNG (Weyburn): I am impelled to take part in this debate because of certain utterances of hon. gentlemen opposite. Statements have been made from the opposite side of the house which had much better been left unsaid, and policies have been advocated which if carried into effect could have none other than a disastrous effect on Canadian trade and on Canadian industry. When members of parliament get up in their places and openly advocate a policy of retaliation against a country which as yet has done us no harm; when they openly demand a fiscal policy of an eye for an eye and a tooth for a tooth; when they even go so far as the hon. member for Vancouver South (Mr. Ladner) did, and urge that parliament abdicate its powers and surrender into the hands of the ministry full control of the tariff and taxation, in order that that power might be used to wage a tariff war against another country: when members of parliament do these things, I say, it is time for all those members who believe that we are sent here to look after the affairs of our own country, and not to vent our spleen on other people, to raise our voices in protest.

I wish to correct a wrong impression that has been circulated throughout the country by a portion of the press in regard to the speech of the Minister of Finance (Mr. Robb). The minister delivered his budget speech on the 1st day of March, and the next morning a section of the Tory press came out with great black headlines, "Robb threatens retaliation." I listened closely to the speech of the Minister of Finance, I have read it carefully in Hansard since, and I can find no word or sentence in it that would indicate in any way that he had any thought of retaliation.