

act, and so forth. One cannot introduce too many complications. These are the difficulties. The hon. gentleman understands them; the members of the house understand them, and I would not offer any hope that we could make any concessions along that line this year. It might be that something could be worked out if there were more time to be given to the matter, but we have said so often that we cannot allow debts as a deduction from income for income tax purposes. That is so fundamental.

Mr. HANSON (York-Sunbury): That is past debts.

Mr. ILSLEY: That is right; past debts which resulted from losses in certain years. We are going some distance in allowing an offset of losses against profits of future years. It is provided here that losses in the case of farmers can be carried forward two years; losses in ordinary business can be carried forward one year for excess profits tax and income tax purposes. As I have said, in the case of farmers we are providing that losses can be carried forward two years. That will afford some relief for the future. We provided that for the first time last year, beginning with 1942. With regard to losses incurred in previous years it would be absolutely impossible to ascertain them.

Mr. HANSON (York-Sunbury): I would not agree with that I think they could be ascertained.

Mr. ILSLEY: I do not think so at all. You could ascertain the debt probably, but you could not ascertain with any accuracy in what year the losses occurred.

Mr. HANSON (York-Sunbury): I am willing to let the matter stand on the minister's assurance that he will continue to give some consideration to the problem. I realize that it is rather late for him to do anything about it this year. Therefore I will not press it at this time. As a matter of fact my colleague and I are carrying out a promise that we made to our colleagues that we would bring this matter to the attention of the committee. I hope that the minister will keep it in mind and see if something cannot be done.

If it is in order, I should like to make some inquiry of the minister with respect to the matter of income tax policy. I preface my remarks by saying this. We are on the eve of the greatest campaign to raise money for the war that this country has ever experienced. I was looking over the allotments for my little province, my county, and my own city, and the amounts are huge, but I

[Mr. Ilsley.]

have no doubt whatever that they will be raised and exceeded if we have the proper team work. I am preparing to go home at the end of this week—I have been honoured with a place on the special names committee—and I expect to spend my Easter holidays in promoting the loan. I shall not ask the minister to give a snap decision or statement here to-night, but I suggest to him that he take into consideration the idea I am presenting by announcing to the Canadian people—and I am speaking carefully now—something in relation to the question of future income taxation. I do not wish to be put in the false position I was put in this afternoon of being singled out as a champion of special interests, because I am not. I am just one of the plain people like the rest of the members of the committee, and I was thinking this afternoon only in terms of the small income taxpayer with an income of up to \$3,000. But if the minister during the passage of this legislation could give some intimation to the Canadian people of the plans of the government with respect to income tax policy, it would, I believe, go a long way in helping him to raise the loan. If he could tell us he considers that income tax has reached its peak in Canada, as his colleague is reported to have said in the course of his journey to the west last summer—

Mr. GIBSON: That was just a report.

Mr. HANSON (York-Sunbury): Well, I have the report in my hand, and I have never seen that it was repudiated by the minister. In a dispatch to the *Toronto Globe and Mail* of September 14, from Sudbury, under date of September 13, the Canadian Press reports the Minister of National Revenue as having declared on that day that "taxes in Canada are now as high as the people can afford to pay, in the opinion of the government." If he used that language or anything like it, that is a reassuring announcement. I should like to know in the first place if the minister made it.

Mr. GIBSON: No; I did not make that statement at that time.

Mr. HANSON (York-Sunbury): "At that time." Did you make it at any other time?

Mr. GIBSON: No; I did not.

Mr. HANSON (York-Sunbury): You did not make it at all?

Mr. MACKENZIE (Vancouver Centre): Cross-examination!

Mr. GIBSON: I did not make it at all.