

at the very least apply this legislation as it at present stands and collect it on a daily basis. There is provision for doing that. There would then be no encouragement for the individual to absent himself from his place of employment. I had hoped that this legislation would be amended, because the minister must have had scores of representations made to him, apart from those made by his own followers, particularly the one mentioned.

A weak effort was made by the Minister of National Revenue (Mr. Gibson) to remedy part of this situation. When he speaks on the budget I should like him to make some sort of recommendation, but unfortunately in the conduct of our affairs the Minister of National Revenue is meticulously careful at no time to enunciate any policy in regard to taxation. He leaves that field entirely to the overburdened Minister of Finance and says: I am merely a collector of the taxation the Minister of Finance puts upon the statutes. However, he did give instructions to employers with regard to deductions to be made from employees on account of income tax, including forced savings, under date of August 1942, on page 4 of which we find the following provision—I will read the provision and then explain it:

“Established payroll periods” refers to that period in any business which, as a regular practice, pays at the close of the pay period, even though an employee worked only part thereof, and the deductions will be made under the table of tax deductions for such pay period.

Here is the weak clause in these instructions; it must be weak because there is no legislation to cover the point:

If however in the course of an employee's continuous association with his employer the employer observes that such an employee is more or less habitually working three days or less in the established pay period of one week he should deduct on the factual experience of the employee and in lieu of deducting on the established pay period basis will deduct on a daily pay period basis.

Legislation should have been brought down to change “should” to “shall,” and I hope it will be amended when the resolution is under consideration. Then we shall be able to bring those who absent themselves half the week in the pay period to a sense of their responsibility and collect the tax on the daily basis. At the present time that does not obtain, and you cannot ask an employer to try to implement the intention of this clause when he is not reinforced by legislation which says that he shall deduct on the factual experience of three days.

But three days is not enough, because there are very few individuals earning more than \$48 a week, with the result that they may work

three and a half days and still be excluded from paying taxation. If that schedule of taxation filled in all the blanks, even if the rate were very small, not only should we relieve the pressure of absenteeism on our economic system, and increase our production, but we should broaden the base of forced savings among many more thousands of our people so that they would have a cushion after the war. Briefly, it is only half the possible individual items of taxation which might be collected, but I do admit that it is not just half of the possible taxation. It is far more than that. Those in the brackets I have mentioned are paying far too much into the treasury as compared to those who pay nothing at all. An equalization of the situation would obtain and even increase the present revenues; it would maintain the savings which are to be returned after the war, and could be so designed as to increase those savings. Certainly it could be designed in such a way that it would encourage the workers of Canada to work a full week and even work overtime if necessary. In the final analysis, it would bring about increased production in secondary industries throughout Canada by anywhere from five to twenty per cent, which would still further offset the words of the Minister of Finance when he intimated that we were fast approaching the complete fruition of all our production programme.

I should like to refer for a moment to another item appearing in this budget, the matter of the tax on liquor, though I feel disposed to leave this question to be dealt with by the experts, and anything I say on it will be my own personal view. It does seem to me, however, that of all the items contained in the present budget the one having to do with liquor is the result of political disagreement between the provinces and the dominion as to who should operate, restrict or control this traffic. The Minister of Finance tried valiantly to keep out of this field, but either force of circumstances or the Prime Minister got him back into it. In the earlier days the government expressed the fear that if this tax were increased, bootlegging would become rampant. Now they have reversed their stand; this problem is back on their doorstep, and it will have to be faced. Having in mind the necessity of getting every possible dollar into the treasury of Canada, I suggest that the government give immediate attention to the problem of bootlegging before it gets completely out of hand. By all means control the consumption of liquor. My personal view is that we should let our citizens have beer if they want it. Let us do away with the spec-