

That would mean that a single year of war, at this rate, represents a debt that will take six years to repay if we undertake to pay that off after the war. With the increased taxation that the minister suggested this afternoon and with the increased economy which the Government intends to exercise, I do not think the figure which the hon. member for Halifax mentioned this afternoon as the figure that we ought to aim at, viz., \$100,000,000 for war expenditure annually, is a figure beyond our reach, and I should not be greatly surprised if that \$60,000,000 should be very largely increased in the course of the next twelve months.

The principle that the minister has propounded this afternoon in regard to the additional taxation will find very little criticism on either side of the House. The minister has laid down the principle that those who have should give; that those who are making large profits out of the war should be the ones to contribute largely towards the carrying on of the war. If you analyze the minister's proposition, you will see that is exactly what he has accomplished. I took the trouble to work out a sample case which, perhaps, will make this clear to hon. members and will make it possible for them to make it clearer when they are passing it on to others. Supposing you have a business with a capital of \$100,000, and supposing that business, under war conditions, makes a profit of 25 per cent or \$25,000. How much will that business pay under the old arrangement and how much under the new? Under the old arrangement, the first \$7,000 was exempt, the taxation being only on \$18,000. Twenty-five per cent on \$18,000 is \$4,500, so that the net profit on the business that was making \$25,000 would be \$20,500 or 20½ per cent, and the Government would receive 4½ per cent of the entire 20½ per cent profit. Under the new arrangement, the first \$7,000 is exempt as before, leaving \$18,000 to be taxed. The first \$8,000 will be taxed 25 per cent; the next \$5,000 will be taxed 50 per cent and the next \$5,000 will be taxed 75 per cent. That will work out at \$8,250, so that out of the \$25,000 earned, that firm under the new taxation will have to pay \$8,250 or 8¼ per cent to the Government, and will retain \$16,750 or 16¾ per cent. In other words, when the firm reaches the stage where it is making profits of 25 per cent and upwards, it will give to the Government nearly double the amount it did under the taxation prior to this measure. The House will admit that as soon as profits reach the neighbourhood of thirty to forty per cent, it is only right that the Government under the cir-

cumstances should take a very large proportion of that amount, and I have reason to believe that this measure will, in the course of the next year, while it may prevent the establishment of new industries of a war character, be received favourably and the extra tax paid without protest by the established companies who are at present making large dividends. I believe it will increase the \$60,000,000 which the minister is now able to lay aside for war purposes to perhaps \$75,000,000 or \$100,000,000 this year. I think the people of Canada are to be congratulated upon the splendid way they have taken all war taxes that have come to them, without grumbling of any kind. When you part a man forcibly from a large share of his profits, you are not liable to get a blessing from him, but there has been very little grumbling indeed from the people whose profits have been taken to carry on the war, and as the hon. member for Red Deer (Mr. Michael Clark) pointed out, it should be borne in mind that this does not begin to represent what the people of Canada have given for war purposes. I made a calculation not long ago that up to date the people of Canada have voluntarily contributed upwards of \$40,000,000 to the various patriotic and benevolent enterprises that have been carried on during the war; every dollar of that was given voluntarily. In this calendar year I venture to say that the people of Canada will voluntarily contribute almost as much to carry on these patriotic works as the Minister of Finance will get by his special tax on profits. Certainly they contributed as much last year, and there is no reason to believe they will not do as well this year. So when we speak of what the people of Canada are giving to the war, we must remember that they are giving generously of their own free will, as well as what is being taken from them by taxation.

I have been indignant lately, on reading some of the speeches that have been made at certain political gatherings, more especially in my own province, to find a tendency on the part of some speakers to criticise this Government and hold it up to disparagement on the ground that the public debt is increasing. Of course the public debt is increasing; every man in Canada knows that, and every member of this House knows why it is increasing. Every dollar of war expenditure that has been voted has been voted with the unanimous consent of the House. The Bills that have been presented here for prosecuting the war have been endorsed by Liberals and Conservatives