

They prove the futility of the Income War Tax Act as an effective measure, unless the solution of its complete administration is found. It has taken vigilant care for 105 years of actual experience in Great Britain to arrive at an approximately complete enforcement. This country does not lend itself as easily to enforcement; we are still in the initial stage of development, still seeking outside capital and immigration. High rates of direct taxation are not conducive to settlement or investment, and the income tax cannot succeed unless the country is prosperous, I cannot but think that the financiers in the republic to the south have taken steps in the paths of wisdom and foresight, and Canada would do well at least to consider carefully their example. Income tax rates higher than theirs, cannot but have an effect on this country, and an approximation to the rates they are paying in income taxes would probably assist in further settlement and enterprise here.

I have endeavoured to place the problem before the house in a manner that will induce examination and consideration of a war measure that is on the statute books, but is fraught with many difficulties and perplexities in actual operation. This, together with other problems, will require the best intelligence in the department charged with its enactment, and the support of citizens everywhere if its operation is to be attended by success.

Mr. C. R. McINTOSH (North Battleford): Mr. Speaker, we have listened this afternoon to the hon. member for Toronto East Centre (Mr. Matthews) deal with the national debt and the income tax. I think we have had two plans placed before the house for paying off the national debt, one the fixed sinking fund plan presented last session by the present leader of the opposition, the hon. member for West Calgary (Mr. Bennett), and again put forward for our consideration by the hon. gentleman who has just taken his seat and the other the surplus plan of the Minister of Finance. The redemption of our national debt has such a direct bearing on the development of the Dominion that it seems to me every member of this house should give it his very earnest attention.

Now, Sir, plans for the redemption of national debts have been proposed; the question is not new and undoubtedly if we can evolve a practical policy for retiring our national debt within a certain fixed period, it should be adopted. But unfortunately for the hon. member who presented that idea to the house, his party is not in power; it does not command a majority in this chamber and, until

it does, the proposal he submits may not be given as fair a trial as in his estimation it should receive. However, as to paying off the national debt, the Minister of Finance (Mr. Robb), in introducing his budget this year, dealt with that very question of a fixed plan, that is, the method of paying off thirty, forty, fifty or a hundred millions a year and so gradually reducing the debt. In discussing the question the Minister of Finance plainly showed that a better policy, and one which is followed by the present administration, is to make every effort possible to improve industry and promote community welfare in every part of Canada. If the welfare of every community in the country is furthered, from east to west and from north to south, and if industrial productivity is accelerated in the Dominion as it should be from year to year by means of wise policies properly carried out, then there is no question about it that by means of the surplus plan we shall be able to reduce the national debt considerably from year to year and thus remove this dead weight which is pressing upon the people of Canada. This is the policy which has been adopted by the Liberals, the party in power.

But there is another method of reducing the national debt, and I believe it ought to be submitted to the serious consideration of the people. There is a good deal of merit in it, and inasmuch as it is a practice which is followed in Great Britain it is one that we might very well adopt here; at least, we should not frown upon it. The hon. member for Toronto East Centre in his speech this afternoon did not touch upon it, and I propose to bring the matter to the attention of the house and advocate the principle as strongly as I can. I refer to anonymous gifts. We find that in Great Britain the men who have millions, those who are enjoying wealth beyond compare realizing the difficulties confronting the nation, with its huge burden of national debt, are coming forward voluntarily and contributing considerable sums to the national exchequer towards the debt. Donations up to the present time total some ten million pounds, the last gift to the Chancellor of the Exchequer being £500,000. This latest contribution, added to what had been given before, brings the total of free gifts to the nation up to £11,000,000. This is an enormous sum, and I believe that half a million pounds put out at compound interest would, over a period of a hundred years, amount to sixty millions.

Now we have many millionaires in Canada; there are in this country many men who became wealthy during the war, men who profited by the conflict in which sixty