

has described as this greatest menace to our economic development, this great load of debt hanging over our necks, being gradually retired. What sum would be required by way of sinking fund if we provided for the retirement of only \$1,500,000,000 at the end of forty-five years? We would have to set aside each half year \$6,069,030. Pass a statute and make a charge upon the revenues of this country prior to every other charge except the service of the debt and pensions, and all you would have to put aside to retire \$1,500,000,000 at the end of forty-five years would be \$6,069,030 half yearly, or on a yearly basis it would require only \$12,518,700.

Is this country to continue to be menaced by this economic evil, by this debt hanging over our heads? Are we to continue, of all countries in the world, to make no provision for the future? Are we to be content to expend our patrimony day by day without putting anything aside to take care of the long days of the future that are before us? I say it is unfair to posterity, and still more, it is unfair to ourselves, it is unfair to the taxpayers of this country to extract from them each year these increasingly large sums of money and make no provision for the retirement of our national obligations. The sum to be set aside is not large. I can only say this, that if we on this side of the house were intrusted with power, we would not hesitate a single moment to make provision for the retirement of the national debt of this country.

It has been said that no government is ever defeated because it is extravagant. That well may be. It well may be that the people may be debauched with their own revenues, and be taught that all you have to do is to spend their taxes freely among them and then you have succeeded, but what is the effect upon the life of the nation as a nation? It is like the observations made by the Minister of Agriculture (Mr. Motherwell) yesterday. In vague and indefinite terms he endeavoured to cast aspersions on men now dead with respect to Port Nelson, not having the courage to make an open charge in this house. The Right Hon. George P. Graham himself selected Port Nelson, as he told the House of Commons when the matter had to be dealt with. He said that it was settled before the government of which he was a member was defeated. I read it in the debates that I had in my hands only yesterday. He said the mind of the government had been made up in respect of Port Nelson on the report of the engineers. It is true Mr. Cochrane is dead and Mr. Bowden the engineer, is dead,

[Mr. Bennett.]

but the fact remains that it was on the report of this engineer and others that Port Nelson was selected as the terminal. To talk of extravagance and the loss of public moneys in this instance when Mr. Cochrane and others were relying on the reports given to them by those best able to advise the government of the day is ridiculous, and it ill becomes the hon. minister thus to asperse the memory of men whom it was our privilege and honour to call our friends. To suggest that they were parties to such transactions as will not bear the light of day is unworthy of the minister himself and of the traditions of our parliamentary life.

Now, Mr. Speaker, having dealt with the question of the national debt in the manner in which I have indicated, I now ask myself the question, on the proposals of the Minister of Finance, how he will make good the necessary supply to meet the requirements of the public service. That, of course, involves taxation; he must tax the people. What form of taxation shall he rely upon? He has told us that he proposes to rely upon the income tax, the sales tax, and the other taxes of that nature, and also upon the customs or tariff tax. Those are the methods by which he proposes to make good the supply required for transacting the public business.

Before I deal with the tariff branch of his proposals, let me say a word or two with respect to the income tax. This tax has been either a colossal failure, or else the situation is very different from what it was when the tax was first imposed; one or the other. Only 116,629 individual taxpayers paid income tax for the fiscal year ending March 31, 1927; they paid \$18,000,000. The Canada Gazette says that the income tax this year has thus far brought in \$55,000,000 as against \$46,000,000 last year, the larger part of which, of course, is paid by corporations, the total last year being \$29,000,000, and judging from the observation made by the Minister of Finance the other day about the same amount will be recovered from the individual taxpayers this year as last year, namely, something over \$18,000,000. In this regard may I point out that when Pitt inaugurated the income tax in Great Britain he definitely and positively stated that it was a war measure. Mr. Gladstone, in one of the greatest speeches by which he will be remembered as Chancellor of the Exchequer, pointed out that he hoped the day would come when war would be ended and peace restored, as then the income tax would be removed entirely, because he felt it was an unfair tax, having regard to the conditions that then prevailed.