

the war would be curtailed, but in addition—I regard this as most important—deflation would be forestalled after the war. As for war production, it would be stimulated further under this proposal than under that of the government; for added incentive would be given the low income workers through the knowledge that whatever they paid in now would be refundable to them after the war. As for the administrative machinery with regard to these refundable savings, it has been built up and it ought not to be dismantled.

Let me quote in further support of this proposal the survey of the Canadian publishers' war finance publicity committee. A cross-section of the people were asked, "How long could you get along if you lost your job?" The replies reveal that over fifteen per cent could not get along for as much as one month, and many of those expressing no opinion must be added to this group. Another thirteen per cent could not get along for more than two months. If, therefore, collections must be made from the low income groups, let them be made in the form of savings returnable with interest in the after-the-war years. But alternatively I propose, and this proposal is to my mind the most equitable of all, that the exemption on low incomes be raised. Single incomes of say \$1,000 or less and married incomes of say \$1,500, or \$1,600 a year, as has already been moved to-day, could be exempted altogether from either forced savings or taxation. The necessary revenue can then be found in the retention of refundable savings in the higher income brackets and an upward revision of the high income rates; indeed even, as I have suggested before, putting a ceiling on high incomes.

It is strange that at this time, when Great Britain is continuing refundable savings both as an equitable war measure and as a lever for post-war reconstruction, this government should find that the only way to afford taxation relief is to abandon this feature, this device of compulsory savings refundable after the war. In my opinion, as I have already suggested, there are other fairer ways of affording the needed relief.

The tax proposals that I have just put forward are essentially directed toward a democratic realization of fairer income distribution throughout the entire nation. In that direction, Mr. Speaker, we think lies social justice, individual security, and a conception of national unity as yet undreamt of.

The minister boasted in his speech that our public debt is widely held, and I confess that much has been accomplished during the war along these lines. Much too has been accom-

plished in relieving the nation of foreign obligations, a fact which convinces me that this country is able to stand on its own feet economically if it but has the will to do so. But much remains to be done in the matter of fairer distribution of income.

During the fiscal year 1943-44 some 58 per cent of the victory loans were subscribed by special names and corporations. Furthermore, the government supplemented its borrowings through victory loans by loans from private banks to the extent, in round figures, of \$170,000,000, and by the issue of treasury bills. Thus there is already a substantial portion of the public debt in the hands of a few. But what is worse is that the concentration of wealth may be seriously aggravated after the cessation of hostilities as small holders sell their bonds to the banks and to other financial concerns. May I say just here that that is where the refundable nature of the levy might assist us after the war. At one point in his speech the minister says that substantial numbers of bonds will be cashed in by small holders in the immediate post-war period, and at another point he states that the debt will be widely held. Yet it will be the speculators and the big holders who will be taking up the cashed bonds after the war.

The present concentration of wealth in their hands will in my opinion after the war be intensified because our present taxation methods make that almost certain. With this and other factors in mind the party which I have the honour to represent have proposed that the government guarantee victory bonds to the extent of one hundred cents on the dollar for the protection of the small holders against depreciation or speculation. The large holder can indeed hold the victory bonds to the date of maturity, when he will collect one hundred cents on the dollar. Further, we have consistently proposed that the tax structure be adjusted so that the financial burden of the war will fall where it can best be borne, not so much on the little men but more heavily on the war profits and incomes of wealthy individuals and the large corporations.

Further, we propose that the chartered banks be nationalized so that essential war and post-war financing can be accomplished at the smallest cost to the people through the medium of nationally-owned banks controlling currency and credit in terms of the nation's need. Speaking of banks, it is utterly fantastic that the government should pay interest to the banks on money which it has itself created by the issue of government securities. Yet that is what is being done.

Mr. ILSLEY: May I ask the hon. member a question?