

*Income War Tax Act*

budget that the right to possess private property is not derived from man; it is derived from nature, and the state has no right to abolish it, but only to regulate its use.

Look over this budget and where will you find evidence of economy? One-half of the money is supposed to be used for war purposes, but under this budget things are being done in the name of the war which do not amount to war at all, which do not amount to an iota toward the defeat of Hitler. One has to consider cause and effect in relation to the income tax, and the reasons for it are the unpreparedness of Canada and the misjudgment, by some who are the authors of this budget, of the whole world war situation.

What is there in the budget for the relief workers, for the aged, the infirm, the physically unfit? Those who have borne the heat and burden of the day are disregarded; and the soldier is the forgotten man of the whole thing. The minister, as I have read his address and special pleading here, has never had sympathy for the soldier. Since I came to this house I never heard him say one good word about equality of treatment for soldiers as compared with civilians. Is it the theory of the budget that a man who enlists loses his civilian rights, his right to adequate pay, while this country is spending four million dollars a day, and is going to spend ten million dollars a day in the coming year—far more in one week than was spent in the whole year 1896? Soldiers' families have to live, and they cannot live properly without a cost-of-living bonus and removal of the inequalities in the pay of the forces.

The minister has forgotten many things in connection with this budget—the housing question, a national fuel supply, a national moratorium, interest reduction, and many other things which would create work so that the toilers could earn a living.

The minister talks about shooting holes through the budget. I can tell you one agency which is doing a lot of shooting holes in the budget—the very people whom the minister represents in this house. He as a minister of the crown is responsible for all these controls and sub-controls and commissions which have been appointed, and these are the people who are shooting holes in the budget and crippling the ability of the taxpayer to provide money for all the schemes which have been proposed in this connection, and are not doing a snap of the fingers to help win the war.

The application of these exemptions omits all consideration for the sick, for those who are physically incapacitated, and there is no use in their going on relief. The minister has not

[Mr. Church.]

even considered the ability of the people to pay. Mr. Churchill, not a lawyer, who was himself once chancellor of the exchequer, said on April 13, 1939:

I know very well the patriotism and sincere desire to act in a manner of perfect rectitude which animates ministers of the crown,—

He was speaking about the preparation of the budget.

—but I wonder whether there is not some hand which intervenes and filters down or withholds intelligence from ministers.

The people want to know whether all the extra money that is to be raised by these income taxes and the budget is to be spent for war. The people want the money that is raised for the war to go for the war, and not to be diverted to civilian purposes and frittered away so lavishly on price ceilings. They want the war vigorously and effectively carried on, and there would be no objection from a single taxpayer, rich or poor, high or low, if he could be assured that there was going to be an honest dollar expenditure for the prosecution of the war from every honest dollar of taxation raised by this budget.

Talk about the conscription of wealth! This budget will mean that from one-third to one-half of the people who in the last war and in this war have contributed to victory loans and war savings certificates will no longer be able to buy bonds and war savings certificates. The income tax features of the budget will cause widespread unemployment and the utter collapse of many businesses, large and small: It is leading to regimentation and state socialism.

The income tax schedules are unjust and unfair. The whole budget is just a gesture toward state socialism. Talk of the conscription of wealth! I do not know anybody who has any wealth, because the rich man has all his income taken away by this budget, and I do not know where the poor man is going to be after the government has taxed his income as this budget proposes to do. There will be wholesale conscription of the property and income of the small retail merchant. The small retailers and some wholesalers also were told to get out of business by Mr. Little and by Mr. Gordon, when Mr. Gordon was speaking in Montreal and Mr. Little in Ottawa and Toronto. Mr. Gordon warned them that they would have to close up because they could not get the materials, and all that kind of thing. If all this regimentation and control were going to do anything to help beat Hitler, there would not be one word of complaint. But they are not.

Great Britain has passed an act which is contrary to this whole budget. They tried