

consumer goods—amounts to \$172, which leaves him \$2.76 per day. That is the reduction in his standard of living. A single person who had an income of \$2,000 last year was taxed \$340, which left him \$5.50 per day; this year he is paying a tax of \$601, which will leave him \$4.66 per day. A man with an income of \$5,000 last year paid a tax of \$1,332 which left him \$12.22 per day; under the new tax he will pay \$2,128 which will leave him \$9.57. Again there is a drastic reduction. With an income of \$10,000, he paid last year a tax of \$3,600 which left him \$21.33 per day; under the new tax he will pay \$5,112 which will leave him \$16.29 per day. With an income last year of \$20,000 he paid \$9,105, which left him \$36.31 per day; under the new taxes he will pay \$11,829 which will leave him \$27.23 per day. With an income of \$30,000 last year he paid a tax of \$15,082, which left him \$49.72 per day; this year he will pay \$19,196, which will leave him \$36.01 per day.

With an income of \$50,000 he paid a tax last year of \$28,392, leaving \$72.02 per day. The new tax will be \$35,703, leaving \$47.65 per day. With an income of \$100,000 he paid a tax last year of \$64,347, leaving \$118.84 per day. The new tax will be \$81,137, leaving \$62.87 per day. As the minister has pointed out, there is a steep increase there. The man who is privileged to have an income of \$500,000 paid, last year, a tax of \$411,720, leaving \$294.26 a day, and this year he pays a tax of \$473,104, leaving \$89.65 per day, which still is a lot of money.

I should like the minister to continue this policy of taxing heavily those that have the money available. I know that it is going to make drastic changes in the way of living of Canadian people, but who is there who can expect to find himself at the end of the war in as favourable a position as he was at its commencement? Those in the highest income brackets are citizens to whom Canada has been very kind, and no sacrifices which they can make, financial or otherwise, will be too great to see to it that Canada assures those in our armed forces—and we must do this—that they will have better equipment and better food than ever before and that those in our war industries shall be assured of adequate food, shelter and clothing. While it is true that so far those in war industries and those at home, with the exception of the farmers on the prairies where the income has been derived largely from wheat, have been able to enjoy a higher standard of living than they have ever known before—and it is a serious reflection on our economy before the war—we cannot expect that state of affairs to last indefinitely. Sooner

or later we must face up to the fact that those in civilian life will have less to spend, and we must be prepared to have our standard of living restricted, as the minister is proposing to do by the drastic tax increases he is making this year. When the budget is brought down next year I hope that those in the higher income brackets will be prepared to make even greater sacrifices than the present resolutions call for.

Mr. O'NEILL: Mr. Chairman, there is one thing I should like to say at the outset, and it arises out of the speech which was made by the hon. member for Parry Sound (Mr. Slaght) on Wednesday night in this chamber. In reply to the hon. member, page 4270 of *Hansard*, the Minister of Finance said:

If my hon. friend believes that, then he has no confidence in the financial policies of the administration. He should not be a supporter of the financial policies of the administration, because his attack is upon fundamentals.

Since 1935, and for a considerable time before that, I have been pretty well in agreement with the principles expressed by the hon. member for Parry Sound the other evening, and quite naturally I took that remark of the Minister of Finance as applying to myself as well as to the hon. member for Parry Sound. There may be some merit in the suggestion that now is not the time to discuss any change in the monetary policy of this country, but I do not think there can be any doubt that there must be a change from the present-day way of doing our financing. I had not intended to say anything about the matter at this time, but since the question has been raised, and in view of the remark that was made by the Minister of Finance, it is up to me to say something about it.

During the election of 1935 I expressed views very much the same as those expressed here the other night by the hon. member for Parry Sound and by the hon. member for Vancouver-Burrard (Mr. McGeer). I expressed those views on the public platform everywhere in my constituency. I was supported on that platform by some of the most prominent members of the Liberal party, not only in the west but in the east, and they raised no objection to my voicing those opinions. Those opinions were also voiced by me to the Liberal party before I received the nomination. If there were any objections to those opinions, that was the time to make them, and had objection then been made, they should never have given me the nomination.

Mr. HOMUTH: The Prime Minister himself was pledged to that platform, was he not?