

system deserve a great deal of credit, whether or not the minister is ready to follow their suggestions. If we are finding difficulty in meeting this budget, we shall have still more difficulty in meeting the next one. The minister will have a much harder time raising money next year than he had this year. He will be compelled to go into the field of monetary reform.

The policy of the government in connection with this niggardly way of financing the war is interfering with our war effort. I made this statement before, but the Prime Minister (Mr. Mackenzie King) ridiculed me. I said that because of government policy the production of this country was being held back. After having had a little more experience during the last few weeks, I am ready to repeat that statement with much more emphasis. The method used to finance the war is one of the things that are holding back our war effort. If it had not been for our antiquated methods of financing we would never have been caught the way we were in regard to our defences. As one hon. member has said, we should be careful that we are not beaten because of the antiquated measures we are adopting.

I say in all earnestness that the minister should consider most seriously the suggestions made in regard to the expansion of credit through the Bank of Canada. In that way he could increase our war effort and would not have to tax the really low income brackets and take away the livelihood of these people. That is just silliness and tommyrot. It is interfering with our war effort; it is interfering with the health of the people, and without question it will interfere with production, not only on the farm but in the factory. When the Conservatives discuss this question I hope they will indicate some way in which the minister can raise money. Even the leader of the opposition (Mr. Hanson) admits that he might have been wrong.

Mr. HANSON (York-Sunbury): I stated that you could do it to a limited degree, but beyond that limit you should not go.

Mr. JOHNSTON (Bow River): What is the limit?

Mr. HANSON (York-Sunbury): No one can tell. If I knew the limit, I would advocate it.

Mr. JOHNSTON (Bow River): If the leader of the opposition is that far along in the elementary study of finance, he has made a little progress. He admits now that he was wrong yesterday and this afternoon when he was criticizing the hon. member for

[Mr. C. E. Johnston.]

Parry Sound (Mr. Slaght), but he now says that you can expand credit to a limited degree. Let us expand it to that limited degree, and then to that extent we shall not have to take the last penny out of the poor fellow's pocket. When we have gone that far I am sure that the leader of the opposition will find that it has done no harm, that in fact it has done a great deal of good, and he can then pursue his studies a little further and advise the Minister of Finance accordingly.

Mr. MACDONALD (Brantford City): When this resolution was before the committee yesterday I expressed an opinion with regard to payment of income tax by officers who are still in Canada. I have listened to the arguments advanced since that time, and I am still strongly of the opinion that some relief should be given to these men. At the present time all ranks other than officers are relieved from payment of income tax, and I trust that that will be changed.

The CHAIRMAN: The minister has stated that at a later stage an amendment will be introduced but that the nature of the amendment had not yet been determined. There is a rule of the house with regard to repetition, but I am not addressing myself in this connection to the hon. member. I think this subject has now been covered quite fully, and I should like to invite the committee to consider the amendment and resolution 1.

Mr. MACDONALD (Brantford City): The amendment was before the committee this afternoon, and a great many hon. members took advantage of that occasion to express their views about the payment of income tax by officers. I have taken up very little of the time of this committee, and I feel that I should be allowed to express my views on this subject.

I noticed that the Minister of Finance stated that he proposes to bring down an amendment. It will be of no avail for me to address my remarks to the committee after that amendment has been brought down, because everything will then have been decided. I wish to express my views now, so that, for what they are worth, the minister will have the benefit of them.

This afternoon it was stated that many officers never expect to leave Canada and that many of them were holding down cushy jobs. That may be so. I believe the leader of the opposition referred to the case of a young lawyer who wanted to go overseas but could not, and had to sit behind a desk in Ottawa