

refusal to control, regardless of the demands in all parts of this country for curtailment. Over and over again the attitude has been, spend, spend, spend!

Mr. ILSLEY: That is the attitude of the opposition, almost to a man.

Mr. DIEFENBAKER: Never has that attitude been mine. I have always said that my attitude is that there be no expenditures made unless those expenditures will bring a return to the dominion, or are necessary—such as uncontrollable expenditures are.

Mr. ABBOTT: Preach that to the rest of your party, then.

Mr. DIEFENBAKER: Of course my hon. friend has apparently not been listening to some of the speeches delivered by me on previous occasions.

Mr. ABBOTT: I have listened to a lot of them.

Mr. DIEFENBAKER: And apparently my hon. friend, the Minister of National Defence, is unrepentant. He thinks the people of Canada should continue to pay, pay, pay!

Mr. ABBOTT: No.

Mr. DIEFENBAKER: I say that the time has come for a reduction in expenditures, where they can be made. I do not think anyone would insist that taxes will assure prosperity or increase incomes. When you continue war-time taxation to the extent that taxation is now being continued into the days of peace, it has the effect of harassing business and hamstringing the possibility of providing jobs in Canada at the present time.

It is doing more: it is reducing the standard of living of our people to an extent never before known in this country.

Mr. ILSLEY: It is higher than ever before.

Mr. DIEFENBAKER: I did not hear that.

Mr. ILSLEY: The standard of living is higher than it ever was before.

Mr. DIEFENBAKER: 650,000 people with incomes under a thousand dollars! That was the figure given the other day by the hon. member for Halifax (Mr. Isnor) when he was attempting to set out the wonderful advantages offered by this budget! If 650,000 be the correct figure it indicates that a great portion of the people of this country are living on a scale and standard of living far below that on which they should be living.

Mr. ILSLEY: It may merely indicate that there are hundreds of thousands of part-time workers.

Mr. DIEFENBAKER: All of that may be replied to later on, but the fact remains that the attitude of this government and the taxation it continues to impose is punitive of success and of successful application to the job in hand. I would think that the government's attitude would be to place these expenditures before a committee and say to them, as I suggested a year or two ago, "Will we cut this down?" or, "Will we cut that down?" Expenditures should be cut to the bone, yes, into the bone itself. But that is not the attitude. In the submission made last fall by the right hon. gentleman to the dominion-provincial conference the government recognized that before there could be any return to proper conditions in this country under which the initiative and skill of private enterprise will result in new investments, the tax policies of all governments would have to be considered as a fundamental factor in arriving at that increased production which would be required.

What about the salaried man, the white collar man? He does not get any relief. He seems to be the one man who is doomed to be perpetually taxed without any hope of relief. He had some hope of relief. That was implied by the Minister of National Revenue (Mr. McCann) when he spoke at a banquet given in his honour in Renfrew last fall. Income tax has been increased some hundred times since it was first imposed twenty-nine years ago and the salaried man always pays. He should be entitled to ask at this time that some consideration be given to him; for, if you pauperize the salaried middle class, you destroy the bulwark on which this country depends against the isms that are sweeping the world to-day.

I agree with what the hon. member for Cape Breton South (Mr. Gillis) said last night that if the exemptions were increased and the rates reduced the demands of labour would be materially reduced. Labour demands increased wages because, after all, it is the "take-home pay" that counts. To increase wages means a mark-up in the goods manufactured; the pressure for increased wages causes increased prices, and so the cycle goes.

To my right hon. friend I say that the government has the billion dollar mentality. I think it would upset the members of this house if any minister were to rise in his place and say, "I am going to cut down my expenditures this year by thirty per cent, not the expenditures connected with war but the civil expenditures which have mounted so continuously since the beginning of the war, and the administrative expenses as well." The failure to take such action destroys the hope