

A year ago we had a great deal of discussion, particularly from the opposition, to the effect that there should be a total war effort. Now, when the minister is trying to raise the money to pay for that effort which has been achieved, we have a concerted movement from the same quarter asking him to reduce taxation here and there. We have had one question after another, and the same item referred to time and again. If anyone looks over *Hansard* he will see where the minister has answered the same question three or four times.

The last speaker raised the question of \$3,000 invested income. The minister has already answered that; why should the same question be asked time and time again? Then some speaker said that there was no distinction between investment income and earned income. Take a person who is receiving over \$3,000 investment income, sitting doing nothing. Am I to be told he is earning it, as much as the labourer on the farm earns the \$500 or \$600 a year he is paid? I say there is a difference between investment income and earned income, and we would do well if we gave the minister more support instead of asking him to reduce taxation in connection with every item that comes up.

Mr. NICHOLSON: Mr. Chairman, this is the fourth session during which similar arguments have been heard from hon. members who sit to my right, and I have a great deal of respect for the patience shown by the Minister of Finance. Those of us who were at the Capitol theatre this morning were able to get some picture of what has happened in Canada since war broke out. I see the Minister of Munitions and Supply in his seat, and I wish to thank him for presenting in such a vivid manner the dramatic story of Canada's contribution in the field of production. If I remember correctly, we were told that the runways at the air training centres would be equivalent in length to a two-lane paved highway all the way from Winnipeg to Vancouver. Over 500,000 motorized vehicles have been made in Canada since the beginning of the war, and those of us who have been through the factories which have produced them will appreciate that perhaps three or four times as much work is involved in making one of these machines as is involved in making an automobile. In the production of tanks and aeroplanes—

Mr. MacNICOL: What has this to do with resolution 2?

Mr. NICHOLSON: I am coming to that in a moment. The hon. member who has interrupted me and others seems to think we can carry on a war such as this and still

allow people in the high income brackets to go through life as though nothing were happening. A year ago the hon. member for York-Sunbury complained that he was compelled to dip into the saving of a lifetime—

Mr. HANSON (York-Sunbury): Hear, hear.

Mr. NICHOLSON: What a pity!

Mr. HANSON (York-Sunbury): Yes; it is a pity, as long as it does not come out of your pocket.

Mr. NICHOLSON: At the time the hon. gentleman spoke he was receiving from the exchequer of Canada \$14,000 a year, with an extra \$2,000 as car allowance.

Mr. HANSON (York-Sunbury): And the government took it all back from me.

Mr. NICHOLSON: Just a moment and we shall find out about that. Let us leave out of consideration any other income the hon. gentleman may have had. With a taxable income of \$14,000 a year his monthly income would be \$1,166, and the government would take away from him \$505.04. So that, with the extra \$2,000 for his car, which was not taxable, he would have left \$827 a month, after the government had taken from him the most severe taxes ever known in Canadian history.

Mr. HANSON (York-Sunbury): Oh, you are wrong.

Mr. NICHOLSON: In other words, he would have \$27.50 a day. If I am wrong I hope the hon. member for York-Sunbury will put me right. The figures I have quoted are from the table published by the Minister of National Revenue for last year, 1942, and I am calculating on the basis of \$1,166 a month, which is the monthly income of a man receiving \$14,000 annually. I understand the \$2,000 car allowance is not taxable. How sorry we should feel—

Mr. ILSLEY: If I may be permitted to interrupt, it is hardly fair to take that table of deductions because, in addition to the amount that would be deducted under that table, a taxpayer would pay his national defence tax, which would amount to a very considerable sum between January 1 and September 1. In addition, the table of deductions provides for the payment of only about ninety per cent of the tax; and even if the hon. member's sole income were \$14,000, he would pay much more in the course of a year than twelve times that monthly deduction.

Mr. NICHOLSON: These are last year's figures.