

am going to stay in Canada. I can run a sewing machine. Why can I not run a machine or work in some factory, if only for a few hours a day, so that I can do my bit voluntarily during this war?"

People who have large incomes will help, by the payment of income tax, to increase the flow of money into the treasury of Canada. We as a parliament perhaps cannot provide the ways and means, but we can encourage them to use their own initiative to get into productive enterprises of one kind and another. Let us ask our people to declare a holiday on holidays, an armistice on wasteful spending, and submit themselves to extraordinary taxation; I am satisfied that they are anxious to do so.

This income tax levy certainly tells us we are at war. But I think the minister could have gone even further in many directions. I do not know why exemptions with regard to charitable donations and so forth were granted a few years ago. Each budget seems to bring down some new exemption from taxation of someone somewhere. There is a war on. Cancel all exemptions from income tax that were given in the last few years, provided this does not conflict with the present legislation, and I am sure people will be satisfied. In the income tax form which we fill out there are four or five classes of exemptions. I make this suggestion, that when the new forms are printed, provision be made for exemption for the children who are coming from Britain, the 3,000 who were spoken of, followed by 750 more every five days, for a week or two, about 5,000 altogether—not nearly enough. Let us have more of them here, and for those good people who take them into their homes let us give the full exemption that is given for our own children. Do not even put them in the category of "other dependants"; make them part and parcel of us now. And do not put those who are charged with looking after those children in the position of having to make a separate affidavit that they have refugee children in their homes. I received a letter this morning from a constituent. She says that she is taken two guest children into her home, and that her mother is going to look after them; that she earns thirty dollars a week, and will provide for these two children and will pay her full share of taxes of all kinds, but if the government in its wisdom could see its way clear to give her, a maiden lady, an exemption for the two guest children it would be appreciated. Her name is Nellie Dunham.

The national defence tax is quite opportune, and, in the main, satisfactory. It will reach wage-earners in the lower brackets. Industry

and business will have to pay much of that tax. I make this plea to industry in Canada: for all those employees on your payroll who are receiving less than the cost of living as defined by the Department of Labour at Ottawa, you pay their tax. I make this further suggestion to the minister, that he allow those corporations who feel free to do that to charge that payment in their financial statements as expense against the operation of their business, or that he at least let them have an exemption for that amount.

In that regard I have another communication which points out one of the anomalies. On a return of income of \$8,000, the schedule provides for a tax of \$1,695, and in addition, if there are no dependants, there will have been deducted by the employer \$160, making a total of \$1,855. But the taxpayer receives only \$7,840 in place of the \$8,000 for which he is obliged to file his return. I submit it is hardly fair to be taxed on \$100 when only \$98 is received.

The excess profits tax received my support in the September session of parliament. Again I support it, but anything that can be done to get excess profits back into production and productive enterprise should be done; any encouragement that can be given those earning excess profits or profits of any kind to put their funds back into enterprises so that we can have expansion of national income would merit consideration by this government and by the people of Canada.

I have often thought that the orientation of taxation as it at present obtains in this country is in the wrong order. It always seemed to me that most of our money should come, as it did in days gone by, from duties imposed on the handicraft of people who are shipping goods to us, but in these strenuous times the situation is different. We now have the sales tax in first place. From the sales tax a revenue of \$170,000,000 is expected this year. It is not an economic tax. It is true it taxes all our people, but it raises the cost of living in this dominion, whereas a tax taken from goods brought in from other countries comes to us without in the same degree raising the cost of living or cost of production in our own country and at the same time provides more work for our own people. The sales tax does not make for more work. It is true it catches all, from the baby in the cradle to the octogenarian in his casket, and in that way perhaps there is some equality. I quite agree with it this war year, although I do not agree with an eight per cent sales tax in peace time. I would go one step further in that regard: Why not cancel all the exemptions that were given? In 1938 a great list of exemptions from sales tax was