

expected to bear a very substantial portion of the tax, certainly it would be that group connected with preparation for war. I should have liked to see the minister or the government—and perhaps at some later date they may consider the point—consider the limiting of profits in various types of industry to a certain percentage, and then taxing the total amount above that percentage for the revenue of the country.

After all, when we speak of equality of sacrifice we must bear in mind that in war there is no equality of sacrifice. No matter how much taxation individuals may pay in dollars and cents, their contribution is not in any degree equivalent to the sacrifice of human life. Consequently there can be no equality of sacrifice in a war condition. I do not think anyone can have any objection to what may be described as luxury taxes, namely taxes on intoxicating liquors, beer, tobacco and cigarettes, except in so far as the poor man's tobacco is taxed at the same rate per pound as that of the man who can afford a more expensive brand.

As I said at the outset, I believe that taxes on tea, coffee, gas and electricity are those which will fall heavily upon the people least able to bear them.

As I said the other day, we still have a very valuable source of revenue which this budget does not tap, and which I would have wished to see tapped. I refer to what I described as a capital gains tax. I know there are some people who will say that in the past few years certain individuals have taken losses on the stock market, and that assertion is perfectly true. But to my mind it is no reason in the world why, under conditions of stress and strain, with stocks rapidly increasing in value, we should not expect a return to the state from a condition which has been brought about by action of the state. I say that because, after all, a declaration of war is indeed action taken by the government of this country. I say, therefore, that a capital gains tax is something that might well be instituted, and a source from which large revenues would be derived.

Mr. ILSLEY: Would the hon. member tax gains without allowing losses as deductions, in years when there were losses?

Mr. COLDWELL: My answer would be that all our taxes are based upon gains, not losses.

Mr. GRAY: Should be.

Mr. COLDWELL: If we pay an income tax on this year's income and have no income next year, we are not permitted to average

the two years. Consequently I say that it is a legitimate tax. Moreover, in all probability you may not be taxing the same persons who sustained losses, because under our economy there is a constant shift in the ownership of stocks, of bonds and even of real property. In gains from such transactions we have a possible source of revenue.

The other afternoon I mentioned the situation in regard to wheat, and I was glad to hear the Minister of Trade and Commerce (Mr. Euler) correct me this afternoon. But I notice that the minister said that the board still controlled that wheat, and I do not know just what that actually means. As I said, I have a distinct recollection of seeing a statement early in the month of August to the effect that the board was waiting for new wheat to be delivered before it could resume its marketing operations in relation to that commodity. I do not know if that implies that the board has control of wheat through options, but I took it for granted that is not the case because of what I understand to be the attitude of the party supporting the government now in power.

These are the main criticisms I would offer at this time. Hon. members realize that no one has had an opportunity of studying these taxes and their implications. We are in the war, and all of us, no matter what our opinions may be regarding it, should be ready to do everything we can to support the government in financing the activities that we have undertaken as a nation. I am anxious to see that in the financing of our activities the burden shall be placed upon those who can most easily bear it, rather than upon those who cannot. Before I sit down I will again emphasize the fact that no matter what taxes we may inflict upon those who profit from the industrial activity of this nation during the war or upon those who by fortuitous circumstances have control over great masses of wealth, we are not in any way approaching an equality of sacrifice. We are asking large numbers of our young men to lay down their lives, and to sacrifice the most precious possession a young man has.

Mr. NORMAN JAQUES (Wetaskiwin): Mr. Speaker, we have been accused of using this opportunity for advancing ideas which we hold, but I cannot help that and I intend to take no notice of such an accusation. During the present session I have heard nothing which would cause me to alter my opinion that this war can be financed without increasing the debt of the country. By using the services of the Bank of Canada and by adopting suitable methods of taxation we can fight and win this war without leaving an overwhelming