

Mr. O'NEILL: I am not going to question your ruling, Mr. Chairman, but I will say that when the budget was passed we were given to understand that we would have the greatest latitude in discussion in committee. I think we are not being given quite the latitude we were led to believe we would be given.

One question is, a taxpayer on his income tax may deduct from the refundable portion the amount he pays on a mortgage on his home—

Mr. STIRLING: That comes under resolution 7.

The CHAIRMAN: That will come later.

Mr. O'NEILL: With all these committees and other things it is impossible for one to be here all the time. I came here and I have listened to everything under the sun being discussed for seven months, and now when I have something that I want to discuss I am told it will be discussed on another day. How shall I know when that day is here?

The CHAIRMAN: If hon. members will permit us to reach resolution 7, there will be an opportunity.

Mrs. NIELSEN: I want to identify myself with those who have protested against the income tax levied on the lower incomes. I realize that the job which the Minister of Finance has to do is to finance this tremendous war undertaking of the Canadian people. In other words, he has to weld this whole nation into one great war machine. But it does appear to me that by the imposition of income tax on incomes in the lower brackets, particularly \$660 and \$1,200 for single and married men respectively, he is to some extent defeating his own purpose. Already it is apparent that these low income people, those who are contributing so much to the production of war material by working in our factories, on our farms and so on, are not able to maintain the standard of health to make continuous employment possible.

As far as the people of my own constituency are concerned, I do not think there will be any high proportion of them who will be called upon to pay income tax, because unfortunately their incomes are not high enough. The few who will be called upon to pay will come in the very lowest brackets.

I noticed a little while ago, as reported in the *Montreal Gazette* of June 26, that Doctor A. S. Lamb, the director of physical training in McGill university, made a startling statement. He said that the cost of the air training plan during 1941 was \$225,000,000, but the cost of sickness in Canada for the

[The Chairman.]

same period was \$250,000,000. When you realize that by taking money out of the income of those people in the lower brackets you are going to increase, as I think undoubtedly you are, the amount of sickness among the people of our country who are working on the production of war materials, you will find that this money will have to be paid out again to care for them in sickness, and the war effort will be slowed up by the loss of working time. I cannot see that the minister is any further advanced by taking money from these groups; in fact I think he is defeating his own purposes, for what he gains in income tax he will lose by having to take care of them in sickness as well as losing their time from production.

There is only one thing that matters to-day, that is production for our war services and the prosecution of this war to the maximum limit. It appears to me that if these people were exempt we should in the long run be far better off and the minister would not be out of pocket but would perhaps gain by it.

I have in my room a clipping from one of the papers, I think it was the *Montreal Gazette*, an advertisement which appeared perhaps two or three weeks ago asking for a housemaid and parlourmaid. It said, "comfortable home for two girls, two adults in the family, no children, five other servants kept." If we have in this country two adults without children—and possibly this situation could be multiplied many times—who are still able to enjoy seven servants to take care of them, perhaps the minister could go to those income brackets and still find further money. His object in the budget is to finance the war. We hear so much about trying to take from our people their surplus money so that they will not spend it on luxuries and things that do not matter, yet we still find certain groups in this country who can afford to keep seven servants to take care of two people. I would say incidentally that the Minister of Labour should have something to say about that; the two young women, instead of being kitchenmaid and housemaid, would be better off in a war industry.

As to raising money from these lower income groups, this tax will impair the health of the nation to such an extent that it will be detrimental to the war effort and in the long run will not help the minister in financing the war.

Mr. ILSLEY: With regard to the family mentioned by the hon. member, I think it highly probable that that household is being supported out of capital largely, and if that