

income tax rates; rates which were discouraging people in the factories, workshops and elsewhere from working overtime. They are still in effect this year.

Mr. ILSLEY: Less sixteen per cent.

Mr. FLEMING: That is what the government told us last October, that they were reducing taxes by sixteen per cent. Why did they not tell us quite frankly that last year the taxes were reduced by only four per cent? They did not say that. Is this some more of the two-in-one juggling of public finance, juggling of budgets? How about having one clear statement for one clear year at a time?

What is the next feature of this contribution of the budget to the increase in production that is so urgently needed? The minister proposes to increase the tax on married men by reducing the income the wife is allowed from \$660 to \$250, which is bound to have a discouraging effect on farmers' wives and all part-time employment by married women. It is going to affect a great many of them; make no mistake about that.

Let us have a look at the corporations. The Minister of Finance has indicated that he is putting his hopes on private enterprise. He made that abundantly clear in what he had to say in this chamber on June 27. How is he encouraging private enterprise in the corporations? Well, he says to them, I will reduce your corporation tax; I will reduce the tax effective January 1, 1947, and he says he wants production now. Is it reasonable to expect that corporations are going to take many risks in expanding production this year when, by waiting or withholding the marketing of their products until January 1 next, they can expect to increase their profits? Does that make sense? I say that it is most senseless when it is put alongside the minister's statement that we need expanded production.

Look at the partnerships and other proprietorships which are now subject to excess profits tax. The minister says, Oh, if you wait until January 1 next you will no longer be subject to excess profits tax. Is it reasonable to expect that many of them are going to take long chances in expanding production between now and December 31 when, by withholding products from the market until January 1 and after, they can benefit in the form of increased gains? The whole proposal of the minister has only to be stated to manifest its complete absurdity. What is needed is some relief now, and some encouragement to private enterprise.

In passing, I would suggest to the Minister of Finance that it is high time he took aside

[Mr. Fleming.]

some of the hon. members who sit behind him and gave them a little instruction in government policy. If he does not do that he will find more and more hon. members running wild in respect of government policy, as the hon. member for Algoma East (Mr. Farquhar) did the other evening, as reported at page 3294 of *Hansard*, when he advocated the continuation indefinitely of the excess profits tax. The hon. member thought it was a pretty good tax, and that corporations should continue to be taxed under it, not only now but in future. In that connection, I should like to read just a remark and I shall give the reference later. It may be found at page 1004 of *Hansard* for 1945:

The Excess Profits Tax Act is a war measure which has commanded overwhelming support as an important and necessary instrument of war finance. Unmodified, it seriously weakens the stimulus toward the investment of capital and the efficient operation of enterprises. In this period of reconstruction it is becoming a barrier to expanding employment.

Those are not the words of anyone on this side of the house. They are the words of the Minister of Finance. So I suggest that the hon. members who sit behind the minister either refrain from the discussion of forbidden topics of that kind or at least take the trouble to be instructed on what the Minister of Finance has already declared on previous occasions in the name of this government. Yes, we have had many samples of contradiction as between what the government talks about and what it actually does, but I dare say hon. members will look a long time before they will find a more complete example of contradiction than is to be found between the government resolutions on the one hand and the speech of the Minister of Finance on the other.

Mr. ILSLEY: Does my hon. friend take instructions on the party line before he makes a speech?

Mr. FLEMING: This is a party, Mr. Speaker, to which I am very proud to belong, led by a man I am very proud to follow. It is not a party ruled by an iron hand. It is a party which in the House of Commons stands on the principles of consultation one with the other and of freedom within the proper lines of policy as they have been laid down for the people of Canada, and on which the people of Canada elected those of us who sit here. We do not have to put ourselves in the unhappy position of being simply choristers singing the praises of a government sitting in front of us.

I wish to make one observation as to trade, Mr. Speaker, because in one of the earlier