

disrupted. Then came the freezing of wages. Where men in one section were getting very high rates of pay, that was the rate at which wages were frozen in that section; where men in other sections were getting low wages, that was the rate at which wages were frozen there.

New plants were completed, but one thing more was needed—employees. We had a tremendous shortage of tool makers, machinists, skilled workers in all the different iron trades. The men in these trades were willing to work long, hard hours; they were willing to work overtime; they were willing to do anything in the war effort, because they felt it was part of their job. Then some bright mind in the Department of Finance or within the ranks of the government conceived of the income tax as now applied to industrial workers. First there was the national defence tax. That was done away with and a straight income tax was imposed instead. Who are the bright minds in the department who know anything about industry? Who are the men in the cabinet who know anything about industry? You have a couple of men there who used to be farmers, you have some lawyers and you have some business brokers, but you have only one man in the cabinet who knew anything about industry and that was the Minister of Labour (Mr. Mitchell) himself. He did know industry; he did know labour; he did know the conditions under which labour works. When he was first appointed to the cabinet I felt, and I believe the feeling was general across this country, that at last the government of the day was extending itself to the point of taking into the cabinet someone who was non-partisan, who was not of the Liberal party, because of the knowledge that he had of the department over which he was presiding. I remember meeting him one morning in Toronto on his way to his by-election campaign in Welland. I congratulated him upon his appointment. I suggested to him that he had the confidence of the people of this country and of labour particularly. I think perhaps I have known the Minister of Labour longer than any other man in this house, but in congratulating him I said this: "I believe you can do a job in that department if you are permitted to do it, but I am afraid that your job will be predicated not upon the needs of labour or of industry or of production in this country, but rather upon political expediency." I think, Mr. Speaker, that that is what has happened, because I cannot conceive of the Minister of Labour sitting in a cabinet and agreeing to the enactment of an income tax act the effect of which could only be to cause absenteeism in industry.

[Mr. Homuth.]

We have a tremendous labour shortage in this country. We go to men and appeal to them to work overtime. But the Canadian people have learned how to work out the income tax. The Canadian people cannot be fooled. The Canadian worker sits down and figures out that if he works on Saturday afternoon over and above his regular time he gets very little extra pay for it because of the income tax; if he works overtime he gets very little pay for it.

Then the appeal went out to women to work in industry, married women who could get away from their homes. Come into industry—we need you. That was the appeal, and the women came. Some will say that they came for the money. I know many of them who came into industry and who had sons overseas. They came in—why? Because they felt they could do a job, because they felt it was their duty to come into industry and produce the things that were so necessary in the carrying on of this war. They came in, and what happened? As soon as they started to earn money the whole tax structure in that home changed. Immediately these women were penalized for going out and doing a necessary war job. Is it any wonder that we say now, and I have always contended this, that any extra pay for overtime should not be taxed, that we should sit down and work out a system of taxation that will bear less heavily on the industrial worker so that we may get longer hours of work and greater production, and at the same time bring more money into the treasury?

On June 19 a meeting was called in the city of Toronto by one of the officers of the wartime prices and trade board. The heads of industry of western Ontario were invited to attend. I went there. Evidently a very large gathering was not expected because the first thing they knew there were between four and five hundred men at the meeting, and they had to hurry out and grab more chairs until the ballroom of the Royal York was filled to capacity. Who were the four or five hundred men who attended that meeting? They were men who were operating industry in western Ontario. They were men who knew all about industrial headaches. They were men who knew all about the troubles of industry in getting production, in keeping the lines working, in keeping the machines busy. These men came to that meeting because they felt that they would have an opportunity to discuss their problems. They were men who knew the headaches of absenteeism and could do nothing about it.