

dominion treasury receives about \$80,000,000 per annum in taxes from our forest industries, yet less than one-third of a million dollars is spent annually to assist in the sounder development and expansion of this industry. Its progress and possibilities for post-war employment seem to have been disregarded entirely.

During difficult years Canada's great mineral production was vital to our solvency. It is alarming to find that eighty-four per cent of our mineral production in 1942 was from mines discovered prior to 1920, while only five per cent of our production came from mines found since 1930. These are dangerous symptoms in the development of a resource that is yet only in its infancy, an industry that employs over 100,000 people and is a potential market for nearly \$400,000,000 per annum of the production of other labour and services.

The great mining industry as a depleting asset can survive and grow only by new discoveries and new capital. A policy with reference to taxation, depletion and depreciation that would restore confidence and inspire individual initiative to venture and risk is the only sound course to follow if we are to develop these vast hidden treasures for the post-war employment of our boys now overseas.

These basic industries are the cornerstone of our economy. From them we must secure our standard of living. Let us not be turned aside by all these promises of "pie in the sky," for we shall have to come to earth sooner or later, and when we do we shall find that we must develop the great basic resources of this dominion. In their sound development our people must find new opportunities. Our people do not want paternal hand-outs from the government; they need only the cooperation of the government in the development of these splendid resources.

While I am on the subject of mining, Mr. Speaker, I should like to make one suggestion. Perhaps the minister is not aware that the dominion treasury is losing in excess of a million dollars annually from the operations of highgraders which have not been stopped. By operating across provincial boundaries these highgraders are able to elude the vigilance of our provincial police forces, who have tried diligently to restrain this illegal traffic. I would suggest that at the forthcoming dominion-provincial conference an agreement be sought under which the jurisdiction over this nefarious practice may become vested in our splendid Royal Canadian Mounted Police. I am sure if this highgrading, which has grown to be big business, were stopped, the minister

[Mr. Rowe.]

would find even greater additional revenue flowing into Canada's treasury than I have indicated.

We have many businesses in Canada which are not connected with mining or other enterprises. Businesses employing fifty people or less form the backbone of the Canadian economy and are the basis from which greater enterprises and capable executives spring. They have carried all the burdens imposed by a war economy of heavy taxation and restriction of supply without the compensation of cost-plus contracts—as many of the larger corporations have had. In preparing this budget the minister seems to have overlooked this valuable element of our community.

I sincerely hope, Mr. Speaker, that this policy of neglecting small business will not be continued. I should like to have the assurance of the minister that when war assets come to be disposed of, no one will be able to corner important surpluses, and that the small businesses will be able to get a fair share on equal terms with the large corporations throughout the dominion.

Following the proposals I have made I move, seconded by the hon. member for Yale (Mr. Stirling):

That all the words after "that" be struck out and the following substituted therefor:

"This house regrets—

(a) that no adequate steps have been taken to simplify the forms and modernize the methods of taxation;

(b) that no effective action has been taken to grant a measure of relief to the men and women in the lower income brackets by raising the exemption in income tax for single persons to not less than \$800 per annum and for married persons to not less than \$1,600 per annum.

(c) that no provision has been made to encourage greater war-time production by exempting over-time pay from income tax;

(d) that sufficient provision has not been made for the elimination of the inequities presently existing with respect to agricultural taxation;

(e) that no adequate provision has been made to ensure increased post-war employment through the discovery and development of metallic and non-metallic mineral resources;

(f) that the government has failed to make effective the full mobilization of our financial, industrial and material resources, as well as our man-power, but is maintaining a so-called home-defence army, at a cost to the taxpayer in excess of \$150 million per annum, at a time when the need for men for army reinforcements, for farming and for industry is so urgent."

In conclusion may I say that this is truly a country of wonderful possibilities. It might well be described, as was another long ago, as "a land wherein thou shalt eat bread without scarceness, thou shalt not lack any thing in it; a land whose stones are iron and out of whose