

said, "There should be jobs for all and to spare." I will say this, that in a properly constituted society of free enterprise, where man and capital have free access to natural forces, the limit of jobs is the limit of those who will fill them—and I might add, in the words of the Minister of Labour, "and to spare."

Now what should we do? My suggestion is that we should make business and employment profitable by every proper means that is within our power. When I say "business" I do not mean just big business, that has done so well during the last five years. I have in mind for the most part little business, which has been so often crowded to the wall. And I suggest that the first step in the way of making business profitable, and therefore capable of extending employment, is to get off its back.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROEBUCK: Perhaps. I might illustrate what I mean. In order to employ our population we should ameliorate taxation upon both industry and consumption, taxation which, in my judgment, is to-day bleeding Canada white. I turn to the excess profits tax, which as now devised allows industry established in the period before the war to accumulate and to retain the profits of pre-war days, while at the same time it restricts the non-profitable industry of those times, and new industry, to rates of retained profits so meagre that expansion and development are practically impossible. There is good reason to tax profits that are in fact excessive, for excessive profits arise from the ownership of natural forces, and from monopolies such as hide behind tariffs, patents, and Government favours. Because of the unfair advantages possessed by industry in these classes, profits are greater than would be possible in free and open competition. But taxation of profits which are excessive in fact is not the principle of the present excess profits tax. In my judgment, it is deadly and vicious.

I was pleased to note that this subject is mentioned in the Speech from the Throne. I think it is at last recognized that if we maintain taxation of this character, we shall drive the enterprising young men of the rising generation across the international line into the United States, where the founding of new business is not a practical impossibility, as it is in Canada today.

The Speech says that the financial agreements in contemplation at the recent Dominion-Provincial Conference "would make possible a reorganization of the Dominion tax structure on a simpler, more equitable basis,

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conducive to the expansion of enterprise and employment." I take that statement to mean an intention to alter the basis of the excess profits tax and other imposts which have the effect of destroying industry and enterprise and thus limiting employment.

I was interested in another statement in this remarkable Speech from the Throne, a statement which leads us to expect measures calculated "to stimulate the restoration and expansion of external trade." I take it, honourable senators, that that means the Government is contemplating the abolition of the foreign exchange tax of ten per cent, which has had the effect of abolishing the free list in the Canadian tariff and of raising the tariff wall which we have built around ourselves to the highest point in history. I hope that that statement in the Speech forecasts the introduction in this Parliament of measures that will re-establish the principle of low tariffs as a policy of the Liberal Party.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROEBUCK: The income tax falls, of course, with varying intensity on different classes of our people; but, honourable senators, I protest against any tax measure which still further reduces standards of living that are already below the level of decent subsistence. I further protest against an income tax which takes from our best workers in the middle classes of society one-half or more of all that they can earn. We put up with that sort of thing during the war: first, because we had to; and secondly, because in those days we were not critical, our minds having been concentrated on the one end of beating Germany and the Axis powers. But those days have gone by, and I submit that we should not now be called upon to endure this form of excessive taxation. The Australian Cabinet has seen fit to announce a reduction of 12½ per cent in personal and income taxes. Canada must do something along the same line.

Should these remarks come to the attention of the Minister of Finance and should he do me the honour of reading them, I can imagine his asking, "How is it possible to carry on government in Canada if these sources of revenue dry up?" My answer, honourable senators, is three-fold. First, we must reduce the cost of government in this country. By that I mean that we must reduce the tremendous expense of our civil and military establishments. Secondly, I think we must—and I am sure we should—endeavour to increase our population. My third answer is that the Minister of Finance should seek sources of revenue which do not have the effect of killing