

I want to refer briefly to a matter not mentioned in the speech from the throne, the question of cartels. The government tells us it is entering into agreements with the governments of other countries to permit a wider volume of international trade. The government tries to do this with a view, among other things, to increasing employment. At the same time the business of production and trade is, in some instances, falling under the domination of cartels and other production and trade agreements. Those who enter into such cartel agreements have no primary responsibility for employment, and may in some instances be defeating the purpose of constructive trade laws. This government appointed a commission to inquire into the question of cartels in Canada, and that commission has presented a report. Recommendations have been made. I am surprised that, having this report in its possession, the government has made no reference in the speech from the throne as to what it proposes to do about the recommendations the commission made. What the Canadian people will want to know, and what this house will expect to be told, is what steps the government proposes to take to implement any or all of four or five recommendations the commission made.

I should like to refer to one other item not mentioned in the speech from the throne which has to do with another report. Last year the government set up two commissions, one to deal with the taxation of family corporations and annuities, and the other to deal with the taxation of cooperatives. Both these commissions have reported. The findings of the commission dealing with the taxation of family corporations were implemented in full in so far as the commissioners were in agreement; but upon the other report no action has been taken and none has been suggested. I am aware that this is a matter to be more fully dealt with in the budget. I am referring to it now to suggest to the Minister of Finance that we shall expect some statement from him upon it. What I wish to ask is that the government advise us what it proposes to do with respect to the findings of the commission on the taxation of cooperatives. I do not want to anticipate what the minister will say in his budget, but this is one of the things we shall expect to hear about.

The taxation laws on the statute books of Canada are an accumulation of makeshift measures of over a quarter of a century and are based on no scientific taxation principle whatever. Like Topsy, they have just

[Mr. Bracken.]

"grew"; and they have outgrown the capacity of the government for effective administration.

Generally speaking the taxation structure is obsolete. I think I am only saying what the government itself knows. The administration has been driven into becoming autocratic. Not only have the taxation laws become a hodgepodge of hit-or-miss measures improvised to meet the pressing needs of revenue and without regard to their effect, but many of them are fundamentally unsound in that they are regressive, discourage production, and thus defeat their chief legislative purpose, that of securing the maximum revenue with the least damage to our economy.

I am sure we were all glad to hear from the Minister of National Revenue (Mr. McCann) that a major reduction in taxation is to be effected in the coming budget. In its report of his address at Renfrew on March 11 last, the *Ottawa Citizen* quotes him as follows:

The budget for the coming year will be reduced. It is hard to say how much. We cannot know until after the dominion-provincial conference, but it should be down some fifty per cent.

This is an important statement, especially when it comes from the Minister of National Revenue. I presume that a statement of this importance was not made without the approval of the Minister of Finance. With such a big reduction as has been promised, we will expect that when the budget is brought down it will announce an all-round tax reduction of fifty per cent. When the Minister of National Revenue accomplishes that, I think we shall be prepared to replace the present Minister of Finance and appoint him.

I come now to the question of labour relations. During the war, both organized and unorganized workers played a great part in our success. Since the war, labour in Canada on the whole has displayed commendable patience in waiting for the government to complete its reconversion programme, which the election advertisements told us would make "jobs for all". It is to the credit of labour and its leaders that during the period of waiting for the fulfilment of election promises, Canada has suffered from labour disputes in a lesser degree than some countries. But, despite labour's patient waiting, nothing is suggested in the speech from the throne to help bring confidence to labour in its search for a secure position in our economy. Nor is there even a word of tribute to labour for the part it played.