

We have been using half measures in the matter of taxation. I shall not say much on that point, as there is a royal commission dealing with it. I may change my mind on that in the future. There is a continuous battle going on in Canada between high, repressive rates of taxation and the so-called tax incentives to make people think they are not as badly off as they are. Down one line you have high repressive tax rates; down the other you have the forces of incentives.

Notwithstanding the royal commission now appointed to study the question, I say that tax rates will not go down until Government expenditures go down in relation to Government income. The sooner there is an end to deficits, the better it will be for Canada. I have a great witness in support of that because the Prime Minister said in the Speech from the Throne that it is the objective of his ministers to balance the budget. I am very happy to hear that. However, as long as we maintain those two parallel lines that never meet, and then superimpose a third one whereby the income tax division in its administration is establishing new fronts by way of interpretation and taking away from you by court decision the protection you thought you had in the section in the act, some day there is bound to be a collision, and then for the first time, I suppose, we shall know where it is that parallel lines meet.

May I conclude with some words I used some time ago. I feel at liberty to repeat them because they were not addressed to anyone present here today.

The government will continue to search out new areas for taxation and will re-work older areas for additional pickings while increasing the list of non-taxable factors deductible from earnings before determination of profit. And the word profit will become even more wondrous in what it includes and excludes. Some day, and I hope reasonably soon, taxes and trade, wages, prices and profits will be put together in a partnership for prosperity. Let us hope that goal is reached without undue delay.

On motion of Hon. Mr. O'Leary (Antigonish-Guysborough), debate adjourned.

### SONS OF FREEDOM DOUKHOBORS IN CANADA

#### MOTION TO APPOINT SPECIAL COMMITTEE— DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Croll:

That a Special Committee of the Senate be appointed to inquire into and report upon the continuing problems presented

by the Sons of Freedom Doukhobors in Canada and any problems related thereto;

That this said committee be composed of twenty honourable senators to be named later;

That the committee be empowered to send for persons, papers and records; and

That the committee be instructed to report to the house from time to time its findings, together with such recommendations as it may see fit to make.

**Hon. Thomas Reid:** Honourable senators, perhaps I am right in thinking that when the question of the Doukhobors in British Columbia comes up, someone from that province should speak; and may I point out, without being too blunt about it, that personal knowledge and contact is far ahead of simply reading something about the matter in the press.

Now, disrobing by the Doukhobors is nothing new. Back in 1936, I recall that the Conservative member for Kootenay rose one day, and pointed across to Mr. King, and said, "What would you do, Mr. Prime Minister, if you woke up some morning, looked out the window and saw a naked woman?" "Why", replied the Prime Minister, "I would send for the Leader of the Opposition". At the outset, let me say to the mover of this motion (Hon. Mr. Croll) that it is not my intention to support it, and before I finish I shall give the reasons for my decision.

I do not need to take up much time in relating the entire history of the Doukhobors. They came to Canada from Russia in 1898. Russia had had so much trouble with them that she was glad to get rid of them. As a matter of fact, history tells us that there came a period when once a week she took a group of them out and shot every tenth man, so fed up was she with the way they were conducting themselves in that country. Tolstoy has been mentioned as one who favoured their cause. It is true that he and the Quakers of England played a considerable part in having them settled in Canada. They came to Canada under a promise that they would not be called on for military duty.

May I point out to the mover of the motion (Hon. Mr. Croll) that the leadership of the Doukhobor group has somewhat changed. Formerly they had a male leader. Those of us who come from British Columbia know that the real leader lives in one of the South American countries. He escaped with some \$90,000 of Doukhobor funds, and I understand that collections now are taken from the Doukhobors and sent to him—money which comes from the Government of Canada, shall I say, in the way of welfare allowances, children's allowances and old age pensions.