

2. It is recommended that the 15%, 10% and 7½% special excise taxes listed in Schedule I of the Excise Tax Act be abolished.

Further views on taxation are set out in **Appendix "A"**.

## II Government Expenditures:

Since the level of taxation threatens to become confiscatory, it is recommended that the Government make every effort to reduce public expenditures.

Further views on this subject are set out in the memorandum attached hereto as **Appendix "B"**.

## III Profits:

The association emphasizes that the achievement of adequate profits is essential to the greatest economic progress and the maintenance of employment.

Further views on profits are set out in **Appendix "C"**.

## IV Inflation:

1. It is recommended that government policies having the object of relieving unemployment should be used carefully if they are likely to generate inflation and thus ultimately defeat their own object.
  2. It is recommended that the Government recognize its responsibility to assure public confidence in the monetary system by making objective public statements from time to time of its assessment of inflationary forces and the action being taken to counteract them.
  3. It is recommended that a new study of the nation's financial structure and machinery be made by independent experts, devoting particular attention to the basis of monetary action, the means by which it is made effective, and its relationships with fiscal policy.
- Further views on this subject are set out in **Appendix "D"**.

## V The Import Problem:

1. It is recommended that a more realistic course of action be taken by the Canadian Government at this time in the field of tariffs in order to cope with the present serious unemployment situation caused by excessive imports into Canada. The Association believes that a sound tariff policy for Canada is of vital importance to the prosperity and welfare of every Canadian citizen.
2. It is recommended that at the current GATT Tariff Conference, no further tariff reductions be made on manufactured goods of a class or kind now being produced in Canada, and that steps be taken to unbind all those tariff items where reductions in duty negotiated at previous GATT Conferences have resulted in too large a share of the Canadian market being supplied by imported goods.

Further views on the above matters are set out in **Appendix "E"**.

## VI Export Trade:

1. It is recommended that the Canadian Government maintain and intensify its programme of energetic export trade promotion, backed by services and support in line with those offered by the governments of competing countries, including participation in trade fairs, the use of trade missions and the usual forms of direct trade promotion through the Trade Commissioner Services.
2. It is urged that in regard to the current negotiations among the European Economic Community countries and between them and