

Mr. COLDWELL: I did not interrupt the minister when he was making his speech, and my time is limited. I say that that is what is being done, and bank profits, and, of course, the notorious inner reserves, largely stem from this financial sleight of hand. This is not a trifling matter at a time when the banks hold, according to the member for Parry Sound (Mr. Slaght), and I did not hear his statement contradicted, some \$2,500 million in government securities, on which the government must pay annually in interest some \$35 million.

I have tried to show that the budget proposals are less than fair to the small man. Now I intend to show that they are more than generous to the entrenched interests of this country. Nevertheless I do not criticize it in its entirety. Many of the provisions proposed merit the approval of this house: recognition of medical expenses incurred outside of Canada removes an anomaly from the previous budget; allowance of tax deductions to the blind is clearly just; widening of the definition of dependents, and particularly, if I may dare to say so, the inclusion in the definition of illegitimate children, a point I have often raised, is a welcome step; relief to the hard-pressed payers of alimony is also justice; provisions liberalizing the status of superannuation funds, particularly of organized labour, are both necessary and wise. Other features, too, deserve to be commended, but I cannot mention them in my limited time.

I congratulate the government upon the removal of tariffs from farm machinery, but I point out that this step, promised by the Liberals since 1919, is a mincing step, not the giant stride which the situation demands. Farm machinery is monopoly-controlled through the method of "price leadership". I do not think anybody who was on the agriculture committee will deny that. We saw that the prices for farm machinery followed the prices of International Harvester company, which dominates the field on both sides of the border. This is the sort of stubborn fact which the government ought to be facing up to at the present time.

In 1937, when the tariff on farm machinery was reduced, not only did prices to the farmer fail to fall but they actually rose. That is why the parliamentary committee was set up, and the recommendations of that committee still remain to be carried out. Therefore I urge upon the government the necessity of converting some government-owned war-time plant to the peace-time production of farm machinery, under, and this is vital, cooperative ownership, or at least some form of government ownership and control. Only then will the farmer receive his just due in the way of fair prices for machinery.

[Mr. Coldwell.]

Turning away from the small man to the other side of the picture, what do we find? We find that the budget contains substantial and, I think, undeserved concessions to big business and an enlargement of those concessions from previous years' budgets. These concessions, I believe, flow from a mistaken philosophy, which says in effect that private enterprise must be cajoled and induced to the point of giving employment. The government is asked to make various tax and tariff concessions, to give monopoly a free hand, in effect to bolster business projects by devious means, to assume the risk of unprofitable ventures itself. This is not free enterprise as it was understood by our forefathers. But appeasement on the part of the government here as elsewhere fails, and returns ultimately to plague the very inventor of it; for, apart altogether from the objection that while the people are called upon to pay the shot it is private interests who stand to make great gains, such appeasement will never succeed in promoting full employment. Even with the help of costly concessions exacted from governments, private enterprise cannot carry the load. National planning and public endeavour must be the keynote of post-war expansion. It will be fruitless and, indeed, costly to engage in attempts to prop up the rotting structure of monopoly capitalism.

The minister states that the taxation treatment of business during the war has been severe. On the surface this appears to be true. There is the excess profits tax. But delving below the surface, the opposite appears to be closer to the truth. Average profits for the four years 1936 to 1939 inclusive are assumed by the Excess Profits Tax Act to be "fair" or standard profits; yet the net income of corporations for the year 1942, the latest for which I could find all the figures available, after payment of all taxes, was twenty-nine per cent higher than this average. My figures were taken from the statistical summary of the Bank of Canada. And over and above war profits as such, business interests are securing indirect war concessions. Through special depreciation they are able to obtain plant and facilities paid for by the people. Through capital assistance they are put in the position of being able to acquire war facilities for little or, in some cases, indeed, for nothing. Through ploughed back war-created profits they are able to increase their capitalization without recourse to new investment from the public. In short, business, but more especially big business, has been digging in during these war years. In this perspective, the various indirect conces-