

*Excise Tax Act Amendment*

than were being born here or coming to Canada. And today we have a similar situation.

But those who have been maintaining almost every tariff enacted by the Liberal party have always worn the mantle of free trade, have always worshipped at the shrine of laissez faire in trade, and have said, "Sell where you can sell the highest, and buy where you can buy the cheapest." They have talked free trade in western Canada and maintained protection in eastern Canada during all those years. They have twitted our party for having a brick-for-brick policy in tariffs. But never before have we seen such prohibitory measures against international trade as those we have now been forced to adopt.

I am not going to review the exchange situation. But surely even the Minister of Finance, in some of his quiet moments in private—when he is not disturbed by having to watch those of us on this side of the house—must have had some doubts as to the wisdom of the fundamental reasoning of these developments in 1947.

Mr. ABBOTT: The inability of our customers to pay us.

Mr. ROWE: None of us is infallible, not even the minister. But he must have had some doubts. There are many who have had more experience in business than either the minister or I, who express grave doubts. And I would ask him to consider carefully how we got into this mess. Why have we now austerity in the midst of prosperity?

I agree with the Minister of Finance when he says that if you are to have more to send out of the country you must either eat less or produce more. That is axiomatic; we can all agree with that. But I cannot agree that the minister can encourage production by the people if he proceeds to build up a huge surplus in revenue, and increase taxation.

Is there anyone who, by the widest stretch of the imagination, would say that the imposition of a 25 per cent excise tax, at a time when we are boasting about having a half a billion dollars in revenue as a surplus, will help production?

If the minister wishes to increase production in Canada, then I suggest several things that should be done. I would say, first, that, instead of putting on more taxes, he should remove the sales tax. It is a tax which multiplies and pyramids all along the line, until it becomes an enormous tax. Even the hon. member from Montreal would agree with that. No, I see he would not agree. There are none so blind as those who will not see. I know, and you know,

[Mr. Rowe.]

Mr. Chairman, that we are carrying a burden of taxation in Canada which is almost crippling industry, stifling enterprise, killing initiative and dampening genius in our people who would embark upon new ventures in other lines.

Mr. ABBOTT: Profits are higher this year than ever before.

Mr. KNOWLES: Do you admit that?

Mr. ABBOTT: Last year, I should have said.

Mr. ROWE: And you are taking more of them, too, than any government has ever taken before.

But that is not good enough. It is not enough merely to say that, in a time like this, when the world is starving, in a time like this when there is a shortage of consumer goods, profits are good. Certainly profits are good in many industries today. But do not let us fool ourselves. If we want more production in this country—which we do want—and if we want more United States dollars, then I say there are many things we can do. If the government intends to consider fiscal changes, then may I suggest that it lift the embargo on beef cattle going into the United States, and get a few dollars in that way. May I suggest, further, that you lift the embargo on malting barley going into the United States. May I suggest that you remove the sales tax, and do not proceed further with this excise bill.

Mr. ABBOTT: How would that reduce consumption?

Mr. ROWE: How would it reduce consumption?

Mr. ABBOTT: Yes.

Mr. ROWE: It would increase production.

Mr. ABBOTT: I doubt it. I think we are pretty well at full employment now.

Mr. ROWE: There is plenty of employment down around the civil service branch. You have more civil servants than you ever had in the history of Canada.

Mr. ABBOTT: No; about 25,000 less.

Mr. ROWE: When one control is removed you have to put another on to cover up the errors in it. May I suggest that if the government wishes to increase production—and I agree with the Minister of Finance that we should—instead of putting more controls on, he should take more off and let the people know where they are going. Let the people find their own level. Let industry be governed