

general manager of Alfred Lambert, Incorporated, made a statement yesterday which seems to me to contain what I might have to say in connection with the budget. Mr. Brunet believes the present yield on capital after payment of taxes is not commensurate with the risk involved in industry; that income tax deductions from the salaries of employees affect their efficiency, because employees mistakenly hold employers responsible for the decrease in their salaries; and that delays in assessing income tax liability hamper industry. To remedy this situation Mr. Brunet suggests the abolition of the excess profits tax; determination of the date for giving back the refundable portion of taxes already collected, and a tax rate decrease of about 50 per cent on individual incomes of \$3,000 and less, with a decrease of 25 per cent on larger incomes.

In connection with cooperatives, let me say that I have eight parishes in my own constituency. The cooperatives in those parishes are organized among farmers of good standing who, through their organizations, operate successfully. If the state interferes by putting a tax on them, their progress will be hampered. I have been requested to lay their request for exemption before the Minister of Finance. I am now waiting until the budget resolutions are debated to find out to what extent the views I have in mind are being met.

One other point to which I would refer in closing has to do with the harbour at Three Rivers. Last year the business at that harbour compared favourably with that done at other harbours in Canada. Statistics show that Montreal harbour handled 118,361,000 bushels of wheat, Halifax 14,762,000, Quebec 15,603,000 and Three Rivers 26,378,000. I have the figures for other harbours in Canada, but the ones I have given are sufficient to show that the business done at Three Rivers compares favourably with that done in other Canadian ports, and indicates that at Three Rivers we have a harbour of which we have reason to be proud.

Mr. Briggs, the manager of our local elevator, has said that our harbour is the basis of the future prosperity of our district. The visiting owner of an ocean liner used these words:

Your harbour is one of the best in the world. I have travelled all over the seas. My boat has been everywhere, and I can give you a certificate that I was astonished to find in Three Rivers, between Montreal and Quebec, a harbour so modern and so easy of access, where a large boat like mine can land without any help.

The Gibb report, made at the request of the Bennett government in 1931-32, states this at page 31:

[Mr. Gariépy.]

Considerable latitude should be allowed to the port managers so long as their activities are directed to carrying out the policy laid down by the central authority. It is essential to avoid emasculating the local administration, since no centralized control can replace an efficient and active local administration, or the special knowledge and initiative of the local business community, both of which are vital to a port's prosperity.

For this latter reason I strongly advocate a local advisory council. There are very many aspects of port working which such a council can properly care for, such as the representation of the interests of private wharf owners, of local merchants and distributors, of local consignees and exporters, of the labour view, and of the attitude of boards of trade, chambers of commerce, corn exchanges and other such trade organizations, in addition to shipping.

It serves very usefully to identify the community with the port; and to secure the support and interest of local members of parliament, the city council, or provincial government in schemes, and so anticipate and meet criticisms from any such quarters, or action that might be prejudicial to the port.

It is invaluable in exploring the possibilities of local markets, in carrying out advertisement and propaganda and in cooperation with interests likely to promote industrial developments. Finally, a local council provides a useful check on the tendency of more or less permanent officials to become stereotyped or arbitrary.

The port manager would be ex officio chairman of the council, which would meet regularly and be consulted on all such matters as proposed developments, alterations in rates, important changes in operation. The members of the council should have the right of initiating discussions on matters of policy affecting the port, on any complaints raised by users of the port, and on questions of rates, charges, etc.; but not on any purely executive matters, and they would have no executive duties or powers.

The advisory council's proceedings and recommendations would be submitted to the central authority, and they should have the right of direct access to the central authority, but not to any other department of government.

The council should be sufficiently large to include all important interests and to ensure that its recommendations will be characterized by a broad outlook. Its composition should include the representation of the following interests:

Provincial government; municipalities; board of trade; railways; shipping; Department of Trade and Commerce; merchants, corn or other exchanges or organizations; dock labour.

I shall point out to the Minister of Transport (Mr. Chevrier) that this requirement has not been lived up to. In the old days we had a local organization composed of Three Rivers business men. These were leading men in the community who served without salaries and who gave their time and energy to furthering the interests of the harbour. That system was discontinued. We now operate under the administration of a central national harbours board. This national board, efficient as it may be, is composed of three men who reside in Ottawa and who have only a limited knowledge of conditions down my way. They