

sums of money from sources where money is to be had. The Minister, having learned of this, took advantage of the first opportunity to indicate, and I think very properly, that his Budget will contain provision for limiting the tax exemption on such gifts. But a certain proportion of the amounts donated would still be tax exempt. In a statement made in another place on January 31 the Minister said:

For example, in the case of the ordinary commercial or industrial corporation the tax advantage in respect of such contribution will be limited to 40 per cent of such contribution, even if the corporation is subject to tax at the 100 per cent rate on its excess profits.

I think that after the Minister learned that certain universities were making a drive to obtain large donations which, under the provisions of the present law, are exempt from the excess profits tax, he would have been remiss in his duty if he had not advised Parliament that he intended to have these provisions modified. I am sure no one in Canada is more desirous than the Minister of Finance that our universities should be provided with adequate funds; but, on the other hand, his chief responsibility is the securing of money for prosecuting the war.

Hon. Mr. BALLANTYNE: Honourable senators, I rise to a point of order. I submit that this discussion is entirely out of order. The business that should be before this Chamber at the present time is the Address in Reply to the Gracious Speech from the Throne, and in my opinion it would not be proper to continue this discussion.

THE GOVERNOR GENERAL'S SPEECH ADDRESS IN REPLY

The Senate resumed from yesterday the consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of Hon. Mr. Johnston for an Address in reply thereto.

Hon. C. C. BALLANTYNE: Honourable senators, my first pleasant duty is to congratulate sincerely the mover of the Address (Hon. Mr. Johnston) and the seconder (Hon. A. L. Beaubien) upon their informative and interesting speeches. May I also be permitted to say to the mover, who was introduced into the Senate only last week, how pleased I am to see him a member of this House? I met him first some twenty-seven years ago, when we both became members of another place. The Union Government was then in office. His long parliamentary experience will prove very useful in this honourable chamber. In his speech yesterday my honourable friend made one statement that seemed to me particularly significant, namely, that the farmers

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of Saskatchewan never had as much cash in their possession as they have at present. In previous sessions we were accustomed to hear of the dire conditions of the West, which were attributed to the low price of grain, or to soil drifting, or to damage done by hail, grasshoppers, frosts, and so on. So it was indeed cheering to hear what our new senator from Central Saskatchewan (Hon. Mr. Johnston) said about the present prosperity in his province.

The seconder of the Address, my genial friend from St. Jean Baptiste (Hon. Mr. Beaubien), delivered in French a speech which I am sure must have been enjoyed by every honourable member who understands that language. But when he spoke in English I was surprised and disappointed to hear him make the unwarranted statement that if Hon. John Bracken came into power he would place on the Statute Book restrictive measures that would seriously impair not only the home markets of Canada but also our export trade. It does not become my honourable friend to make such an inaccurate statement, for I know, as do many other honourable members of this House, that during the twenty years or so in which Mr. Bracken headed various political combinations in the province of Manitoba, he never had a more faithful follower than the honourable gentleman from St. Jean Baptiste. No one knows better than my honourable friend that should our leader come into power he would not impose a high tariff or any other restrictive measure that would in the slightest degree interfere with either our home or foreign markets. On the contrary, progressive man that he is, and better acquainted with agricultural conditions than is the leader of any other political party, his policy would probably lead to a great expansion of trade both in Canada and overseas.

Honourable senators, this may very well prove to be the most momentous session in the history of this country. It is within the bounds of possibility that our arch enemy, Germany, may be defeated before this year is out. Our great leaders do not say that she will be, but they do say that her end is in sight. No one can make a definite forecast, but let us hope and pray that our Allied forces will achieve decisive victory during the current year. We have been greatly cheered along the way by the wonderful successes of our armed forces during the past year. We cannot, however, close our eyes to the fact that the road to final victory will involve tremendous casualties, and that great sacrifices will have to be made, not only by those at the battle front, but also by those on the home front. The necessary combined effort