

recommended that patronage dividends and like payments be disallowed as expenses before arriving at taxable income. Still others—a few hundred—urged that the government apply the same principles of income taxation on all forms of retail business, including cooperatives and others.

I have no fault to find with those who signed the cards and sent them to their members. It is their privilege to show that they are interested, and it is through such communications that we learn and keep in touch with the views held by our constituents.

Having said that, may I come directly to the budget, as I see it. As I said, I listened to the Minister of Finance unfold thought after thought and reemphasize that, although hostilities were over and this was essentially a peacetime budget, providing for the financial needs of the first post-war year, which is wholly a year of peace, it also contained certain remaining costs of demobilization, heavy costs for gratuities and other benefits for our veterans—costs which will not recur on a similar scale in subsequent years.

May I ask the hon. member for Muskoka-Ontario whether he is one who would advocate taking those amounts out of the budget, thus lessening the expenditures to be undertaken by the government.

Mr. SMITH (Calgary West): He is not here, but the answer is definitely, no.

Mr. ISNOR: The hon. member answers for him. I could not avoid being impressed by the honest, frank and sincere manner in which the Minister of Finance approached his task. I was proud he was a maritimer; I was equally proud that I, too, am a maritimer. I have been reminded of two other outstanding maritimers who filled this honoured post of Minister of Finance, and who filled it with honour and with distinction. I recall such men as the late Right Hon. W. S. Fielding, who stood so high in the hearts of the people of Canada and who in 1897 presented a budget of \$38 million. I was reminded, too, of the late Hon. E. N. Rhodes, also highly respected and honoured, not only in his native province but throughout the length and breadth of Canada and who, in 1932, estimated his budget revenue at \$311,735,000. Then, as I sat and listened I made a mental picture of the outstanding contributions made by the Minister of Finance during the war period. I thought of the wonderful effect and achievement of his wartime measures and controls, and the splendid cooperation given to this man by the people of Canada. By that cooperation we in Canada won and maintained the respect and admiration of all other countries.

[Mr. Isnor.]

Surely we as Canadians may justly take pride in the carrying out of our financing and economic policies during the war. If possible, as it would appear to be, we should be ready to bear with a portion of those controls and taxes for a while longer until we are safely on the road to a proper readjustment period.

The federal government fiscal year, as hon. members all know, ends on March 31. While I do not intend to quote figures to any extent, I feel I must mention a few. The total estimated revenue, as shown by the Minister of Finance when he tabled the budget, is around \$2,955 million, exclusive of refundable taxes.

The total estimated expenditures are about \$4,691 million. There is thus left an over-all deficit for the year of \$1,736 million. I mention this deficit of \$1,736 million because it is interesting to note that this is \$822 million lower than the deficit of the previous year. That is another step in the direction of a balanced economy.

The Minister of Finance then went on to deal with our economic life and stated that to-day we in Canada are more prosperous and farther along the road to reemployment and reconversion than he expected we would be when he presented his budget last autumn. Despite many shortages and interruptions, Canada's economy as a whole has turned with remarkable speed from war services and war to peacetime jobs and objectives. We are enjoying a level of employment and prosperity that we have never experienced before in peace time.

When the hon. member for Muskoka-Ontario came to that portion of the Minister of Finance's remarks he paused and observed, as I recall his remarks, that this was because we were still continuing on a wartime basis of employment. I want to take exception to that remark, and I do so along the following line. When the war ended in Europe a little more than a year ago there were three-quarters of a million men and women in our armed forces. To-day there are only about 100,000. In a little more than a year we have released about 650,000 members of the armed forces to enter into civilian production. A large majority of those people have found employment or are taking university or vocational training or have gone into business for themselves assisted by their wartime savings and the benefits provided by the government. During the same period, but even more suddenly, our workers in war industries have been released upon the labour market. The number of these people is approximately the same as the number of service people who have been demobilized. That is to say, we have 1,300,000 persons who have been sud-