

*The Budget—Mr. Stanfield*

family today? How far will \$100 go in keeping a child a year in this day and age? Not very far. It would seem that at least an exemption of \$300 for each child under sixteen years and \$500 for each child over sixteen years would be much more in keeping with present day standards.

The next matter to which I should like to direct attention, is that I feel strongly the excise tax imposed on soft drinks should have been removed. The nickel soft drink was just part of our way of living on this continent for many, many years. Nobody objected to the tax during the war. Almost everyone—especially the children, and even members of parliament—enjoys his favourite soft drink. Also, especially at this time, when one might say all governments are in the beer and liquor business—and I may also add, are encouraging its sale—I certainly believe the government should have given the public back its nickel soft drink. A child should not have to break his or her dime for what he or she calls a drink of pop. With all the big surplus the government speaks about, to leave the excise tax on soft drinks is merely ridiculous, to say the least.

One hears a great deal these days about the great profits some companies have been able to make in the past two years. Well, here is what the Bank of Canada says about the returns of some 700 companies for the year 1945: They were lower than for the years 1937 to 1939. In fact, the per cent of return of profit on invested capital in 1945 was approximately twenty per cent less than that earned in the 1937-39 period when the volume of business was much less than in 1945. These comparable figures are not available for 1946. But they are certainly higher than in 1945; and why should they not be when everything else is nearly fifty per cent higher than in 1937 to 1939? I am sure, however, that the balance sheets of the 700 companies will show that the return on their invested capital in 1946 was somewhat greater than in the 1937-39 period. And, as I said before, there is no great reason why this return should not be greater. May I also add that there will be few years as satisfactory as 1946 from the point of view of either the employer or the employee. There will be many leaner years.

Now, just a few words about high prices. They are certainly high compared with what we were used to paying, say, three years ago; and some prices are perhaps too high today. But we have likely reached a peak in these high prices, and most of them may be lower before they are higher. I would very much like to make the following observation: Our national debt and the necessary function of

our government can only be carried with our national income at about its present level, if we are to maintain our present standard of living. So, if prices are to fall to any great extent, as some people would like to see them fall, why, it is just going to be too bad for us; and it makes me shudder to think just what it would do to the surplus the minister predicted for the present year. You cannot have your cake and eat it too. We can not have a happy and contented land if the products we produce should recede in value in any marked degree, and it is just as well for us to remember that. There may be some levelling off in the economy of our country to adjust this and that; but I, for one, sincerely hope to see things do nothing more than merely level themselves off.

Before I go any farther, I want to say "Thank you," and extend my sincere appreciation to Donald Gordon for the splendid way he served this country during the war and for eighteen months thereafter. He has now gone back to the Bank of Canada, and I wish him many years of happiness. He had to withstand a great deal of abuse while he was administering our price control system. But he did the job fearlessly, ably, and impartially, and his name will long be held in high esteem throughout Canada.

As for controls, I can say I always agreed that they were absolutely necessary during the war years, and for eighteen months thereafter. But since the first of this year they are having entirely the opposite effect, and are retarding our readjustment and our production back to a normal peacetime economy.

At this time I should like to associate myself with the hon. member for Northumberland, Ontario (Mr. Drope) in advocating doing away with the hon. member for Northumberland, radio tax. If there is any need or justification for this tax, I fail to see it.

When it comes to the so-called hidden taxes, such as the luxury tax, sales tax, tobacco and gasoline taxes and all the rest of them, during the war these taxes were O.K., but now many of these should be done away with or greatly reduced, because they are a considerable factor in the increased cost of living. However, this question has been ably dealt with by other speakers, so I will now pass on to our own province of Nova Scotia.

Many Canadians who have never been to the maritimes seem to have the idea that maritimers are only hewers of wood and drawers of water. This certainly is a mistaken idea. The maritimes are a beautiful country and the maritimers are the highest type of Canadian citizens. They live a pleasant, happy and enjoyable life. If you do not believe me just go down there to live, and