

same amount this year. How long can the richest country in the world carry on upon that scale? I do not know. Certainly it cannot be sustained indefinitely.

In Canada, because of our high taxation, last year closed with a surplus. Perhaps the same thing will happen this year; I do not know; but this much is evident, that tax rates prevent any accumulation of money. It is cheaper for some men to come down to this house once a year and stay home the rest of the time than it is for them to remain here the full term. The income tax is so excessive that it absorbs not only current earnings but what some have saved in past years when others were spending. I do not speak without authority.

**Hon. Mr. Duff:** That is right.

**Hon. Mr. Haig:** I entered my little town of Winnipeg with \$5 in my pocket, and I am still living. I am not boasting when I say that anything I have I earned myself, by working every day.

**Hon. Mr. Duff:** And by saving.

**Hon. Mr. Haig:** There are in Canada hundreds of thousands of men in exactly the same boat as I am in. Of course most of them are not senators. Probably they would say, "Haig, you should not worry; you have a pension for life." Surely! But those people are now from sixty to seventy years of age and they are being taxed as though they had never saved their money properly. That is the effect of our tax structure. You say in one breath that the people who earn the money should carry the tax burden, and in the next breath you say, "Well, so and so deserves a much larger salary because he is an able man"—and then you finally take it all away from him. This system of taxation is going to lead to difficulties. Here is one place in the estimates where \$4 million could be saved—and who would be the loser? For instance, very few of us travel by TCA, except for those honourable senators who have to journey all the way from Ottawa to British Columbia. I admit that if I lived as far away from here as they do, I too would make use of the TCA; but the point is that this tremendous expenditure is not in the interest of the economy of Canada. You may say that I am a pessimist, but I think I am a realist.

**Hon. Mr. Fraser:** Well, do you realize more people would be riding on the TCA if some people kept their mouths shut?

**Hon. Mr. Haig:** I never heard about any person talking out of turn. My honourable friend from Trenton may have heard about it, but I never did. The point is that we cannot afford to spend \$4,200,000 in one year on an experiment from which, in the final

stages, the only people to benefit will be those who cannot afford to spend an extra two days riding on a train. I think it was my honourable friend from Trenton who yelled at me about the horse-and-buggy days. Well, both my father and grandfather rode in horse-drawn buggies, and I am mighty proud of them. They were decent people who paid their debts and kept their word, and they raised and educated their families in accordance with the educational system of the day. I am deeply grateful to my father and grandfather for the fine heritage they passed on to me, and I do not believe that when my boy or your boy was serving overseas in the armed forces it made much difference to him whether his father travelled by airplane or not.

Our estimates for the year now total pretty close to \$2 billion 400 million. Twelve years ago the estimates required by the same government were less than \$600 million, or one-quarter of the present total. Now, this increase cannot be totally attributed to interest on our war debt, nor can it be attributed to the pay and allowances to our veterans. The answer is that there has been a general increase in expenditure all across the country. I do not want to say anything about the provinces because that is not my field, and I would be criticized by them, but recent press reports indicate that over the last twelve years the expenditures of certain provinces—I cannot say anything about Newfoundland—have increased tremendously. Frankly, I do not believe our people realize how we are living and what the prospects are for the future.

Honourable senators, I hope that next year the estimates will be much less than they are today; I also hope that during the coming week, or a year from now, the Minister of Finance will offer some plan to lessen expenditures and thereby decrease taxation.

**Some Hon. Senators:** Hear, hear.

**Hon. T. A. Crerar:** Honourable senators, there is one aspect of this bill to which I think we should give some consideration. When parliament assembled on January 26, 1949, the main estimates for the current fiscal year were tabled in the customary blue book, and, because of the federal election, supplementary estimates were brought down in the fall session. Now we are being asked to vote an additional \$65 million for the current fiscal year. The point I wish to make is that when what used to be called "extra supplementaries"—which were similar to what we are voting here—were brought down, they were based wholly on extraordinary and unforeseen expenditures. What has happened in the present instance, of course, is that this money