

achievement on the part of Canada. It has not only made possible our participation on a large scale in the war but it has in greater measure than we realized brought about the present state of prosperity in the Dominion. Without the aid afforded by the savings of our people the expenditures which have been made in Canada by both Governments for supplies and munitions could not have been made, so that those who have saved have benefited not only themselves but the entire community. While our national saving during the war has been gratifyingly large it is not so great as it should have been and to-day no better advice can be offered to the public than to exercise the strictest thrift and economy. Every additional day the war lasts makes this individual and national duty the more imperative.

#### Canada's Trade 1916-17.

No aspect of our affairs during the war is more striking than the vast increase which has taken place in our international trade. The aggregate of our imports and exports (excluding coin and bullion) for the fiscal year 1912 was \$841,000,000; for 1913 \$1,063,000,000; for 1914 \$1,090,000,000; for 1915 \$958,000,000; for 1916 \$1,309,000,000. For the year ended on March 31 last, the total international trade of Canada reached the enormous total of \$2,043,000,000.

Mr. MICHAEL CLARK: Would the minister kindly give us a statement of the exports and imports?

Sir THOMAS WHITE: If my hon. friend does not mind, I would prefer to give them in committee. I have them here, but I cannot conveniently lay my hand upon them. This, Mr. Speaker, is nearly double the volume of the largest trade in the history of Canada before the war. Equally notable with this huge increase in volume is the change which has taken place in relative amounts of imports and exports. For 1912, the balance against us was \$125,000,000; for 1913, \$309,000,000; for 1914, \$180,000,000; for 1915, \$36,000,000. For 1916, we had for the first time in many years a favourable balance of \$249,000,000. During the last fiscal year this favourable balance increased to \$314,000,000. Figures such as these indicate a very prosperous condition within the Dominion. It must however be steadily kept in mind that the higher prices obtainable under war conditions for our national products and the output of our industrial plants of war supplies and munitions are chiefly respon-

sible for this extraordinarily favourable condition of our external trade, and that with the cessation of the war dislocation of industry and modification of prices are bound to ensue. I take it that it is unnecessary for me to mention the large increase in our exports due to our grain and other commodities sent abroad by us and the high prices which have been and are being obtained for them. I said that, with the cessation of the war, dislocation of industry and modification of prices are bound to ensue. The only safeguard against these conditions is saving on the part of all who are now engaged at good wages and are in a position to save and the careful husbanding of their resources by firms and companies engaged in business. The position of most businesses in Canada is now thoroughly sound and it is for their proprietors, with the prudent watchfulness of their bankers to keep them in that condition. The sources of danger to business in war time are speculation in commodities and stock exploitation on the exchanges. With these avoided and national savings greatly increased we might look forward with confidence to whatever may occur in the reconstruction period after the war.

We have no tariff changes to propose.

To carry out the taxation proposal which I have announced and certain necessary amendments to the Business Profits War Tax Act, 1916, I beg to give notice of the following resolution which I shall move in committee:

RESOLVED, That it is expedient to amend the Business Profits War Tax Act, 1916, by providing:—

1. That in any business taxable under the Act where the annual profits exceed fifteen per centum per annum the tax shall be increased to fifty per centum with respect to all profits in excess of the said fifteen per centum but not exceeding twenty per centum per annum, and where the profits exceed twenty per centum per annum the tax shall be increased to seventy-five per centum with respect to all profits in excess of the said twenty per centum, and such increases in the tax shall be levied against and paid by the person owning such business for each and every accounting period ending after the thirty-first day of December, one thousand nine hundred and sixteen;

2. That for the purposes of the said Act, the actual unimpaired reserve, rest or accumulated profits held at the commencement of an accounting period by an incorporated company shall be included as part of its capital as long as it is held and used by the company as capital;

That any enactment founded on this resolution shall be deemed to have come into force on and from the eighteenth day of May, one thousand nine hundred and sixteen;