

lines and getting in a lick at some poor soldier-politician—behind his back. But we have had nothing but splendid assistance on both sides of the House to carry forward all the measures that have come before Parliament in these very strenuous times.

I desire to congratulate the Minister of Finance (Sir Thomas White) particularly, upon the very excellent Budget speech he made in this House, and the lucid manner in which he explained the financial position of the country. He is to be complimented and congratulated also upon his excellent conduct of the public finances during the last year and a half. There is no question that the situation of this country, when the war broke out, was exceedingly grave. We had undertaken public works, tremendous railway extensions, which had just reached the point where their securities would naturally be marketable and the railways placed upon a sound foundation. Great expenditures had taken place and the resources of the country had been pledged for a number of years. The instant the war came every industry was stilled, every wheel ceased to move. Those who recall the strenuous days of the opening weeks of the war, know that manufacturing in this country virtually ceased. In that we had an example of the state this country would be in should this House do anything that would cause a cessation of manufacturing operations. For, after all, the manufacturing industries of the country are just as essential to the country's success as any other department of our industrial life. A number of these industries, being very strong financially, continued to operate, and very shortly there was a gratifying recovery.

During the past year the country has made some of the greatest discoveries that it has ever made. We Canadians are very much inclined at all times to belittle ourselves, to consider ourselves, perhaps, as not so capable mentally or otherwise as other people. I deprecate that condition of mind among the members of this House or among the people of this country. When the first contingent left for the front a great many people felt that it would have to be broken up and merged with British regular troops. During the past year, however, it has been found that the Canadian soldier is as good a fighting man as any soldier on the continent of Europe.

Another strange thing has occurred. In connection with the tremendous expenditures with which we have been confronted, the Minister of Finance has been able to

raise in Canada, by means of bond sales to the people, the enormous sum of \$100,000,000. Two years ago no one would have conceived it possible that in a time of war the Minister of Finance could raise even \$50,000,000 in Canada for war purposes; yet the minister got over \$100,000,000. If we make the war pay in this country, as Pitt made a war pay in England, I am sure that the Minister of Finance will have no difficulty in getting all the money necessary to meet the requirements of Canada's participation in the conflict, and that not only \$100,000,000, but, if necessary, \$500,000,000, can easily be raised in Canada.

The Budget contains very few features upon which any remarks could be offered. The new policy of assessing corporations is one that will doubtless meet with considerable opposition. In my study of political economy I have observed that there are two kinds of taxation, direct and indirect. There is no doubt that this proposed taxation of profits is a form of direct taxation. In considering this matter we should always bear in mind that in their legislation the people keep constantly in view two things: they desire, first, that no special interest shall have anything to do with the making of the laws that pertain to the administration of justice; and, secondly, that no special interest shall have anything to do with the laws dealing with the imposition of taxes. We should deal with every business institution and every commercial concern and every individual as being free and equal in the eyes of the law. One feature of this proposed legislation that may create some opposition on the part of members perhaps on both sides of the House is the provision to make it retroactive. I confess that I threw away almost all my books on political economy when I went to the war, and I have not since been able to find them. In those to which I have had reference, however, I find no case in which taxation has been made retroactive. The desire has always been to place the burden of any year's taxation upon that particular year, and I am satisfied that when the Bill comes before the House the minister will take that matter into his very serious consideration. Retroactive legislation should be resorted to only after we have reached the limit of our taxation. If we had failed by means of customs and excise taxes to obtain the necessary revenue, it might have been wise to raise money by means of retroactive legislation of this kind. We are legislating

[Mr. Currie.]