

Hon. Mr. HARDY: Hear, hear.

Hon. Mr. CRERAR: The excess profits tax was a war measure, and with the disappearance of the war should be removed. There was full justification for it during the war—

Hon. Mr. BALLANTYNE: Surely.

Hon. Mr. CRERAR: —but now it should be repealed. I trust I shall not be misunderstood when I say that the economists of the nineteenth century were, in my judgment much abler men than the economists of the twentieth century. I recall that one of them said, "The power to tax is the power to destroy." That is a truism we should ever bear in mind. I have no hesitation in saying that any considerable tax on the income of corporations is an unwise tax, because if we are to have full development of the resources of our country, with all the employment that comes from such development, then it is the part of wisdom to offer every possible encouragement.

Any expectation of much tax reduction is I fear too optimistic in the present state of affairs, particularly in view of our present expenditures and future commitments. No one will dispute that we had to play our part in the war. Had we lost the war, within a few years we should have been concerned with far more terrible problems than any that confronted us in the past five years. My conviction on that point has never wavered. But we may as well face the fact that it has been a tremendously costly business not only in the monetary sense but in the destruction of other values which are of the very best in our civilization. It is, I think, well to examine our position and to take counsel with ourselves as to what is the wisest course to steer through these difficulties.

I am grateful to the honourable leader of the Government for explaining how the increases in the current estimates arise. His statement indicates that our total expenditures for the fiscal year ending March next will be well over five billion dollars. That is accounted for roughly by the \$3,365,000,000 set out in the War Appropriation Bill and the \$1,023,000,000 for various departmental expenditures as set out in the blue-covered volume which I hold in my hand; and by approximately \$22,000,000 of the supplementary estimates and the additional \$650,000,000 under the Export Credits Insurance Act. Let me not be misunderstood; I take no exception to this expenditure.

As by the end of the fiscal year the war with Germany will have been over for almost eleven months, and the war with Japan for almost eight months, \$5,000,000,000 seems

a very large expenditure. Please understand, honourable members, I am not criticizing the Government for the expenditure, for our experience after the Great War ending in 1918 indicated that the two years immediately following the cessation of war are in some respects more expensive than the actual war years. I call attention to these huge amounts, not in the spirit of criticism, but to indicate to honourable members that the financial problems ahead of us are vitally important.

I hear it said that in the normal condition incident to peace Canada will need to raise by taxation between \$1,750,000,000 and \$2,000,000,000 a year. That is a very large sum of money, and unless we can greatly expand our export trade and find permanent markets in all corners of the world where our products can be profitably disposed of, I do not see how we are going to survive under this tremendous burden.

In my humble judgment no problems facing our people today are of more importance than those which will arise out of public finance, for if the country becomes unable to meet its expenditures it will run into really serious political troubles. So I hope that when another session rolls around the Government will bring before Parliament a budget exhibiting as much economy as is reasonably possible,—

Hon. Mr. BALLANTYNE: Hear, hear. .

Hon. Mr. CRERAR: —and I would add that this whole problem of public finance, of taxes and expenditures, is one that could very well engage much more of the attention of this honourable House than it has in the past.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. Mr. ROBERTSON: Honourable senators, I have been advised that there is a reasonable hope that the business of the other House will have progressed sufficiently to permit Parliament to prorogue at 5 o'clock this afternoon. In these circumstances I would suggest that the Senate adjourn during pleasure, to resume at 3 o'clock this afternoon, at which hour it may be possible to know when the Supply Bill will be formally before us.

PROROGATION OF PARLIAMENT

The Hon. the ACTING SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, would pro-