

nothing to justify this exaction. It is one form of taxation which contributes to putting up costs. It cannot be otherwise. If I were running a company I would do what others do; I would immediately try to add enough to the selling price of my products to take care of the corporation tax which I was required to pay. Obviously, if that is done the cost of the article is increased.

Hon. Mr. Kinley: These are corporation taxes after profits.

Hon. Mr. Haig: It is shareholders' money which has made all this profit. Why should they not have it? I am quite willing to be taxed on the personal profits I have claimed from my investment.

Hon. Mr. Kinley: But a company is a person.

Hon. Mr. Haig: No, it is not. A company is composed of its shareholders and nobody else. It is their money which makes the profit possible. It was the fellows who put money into the Hudson Bay Mining and Smelting Company who made possible its success.

Hon. Mr. Euler: Is my friend suggesting that the tax on corporation profits should be wiped out?

Hon. Mr. Haig: I am quite willing that corporation profits shall be taxed, but the proceeds, the whole 100 per cent, should be returned to the owners of the stock.

Hon. Mr. Euler: Personally, I would like that arrangement very much.

Hon. Mr. Haig: Let me go a little further into the history of this mining company. How did it start? A man named Whitney came up from New York and decided to purchase what is now the company's property. But when the ore was tested it was found that the gold, silver, copper, lead and zinc could not be separated from the dross, and that there was no known formula of separation. When he was at Winnipeg he told us that to build a pilot plant and discover a way to make the refining perfect would cost about a million dollars. He wanted members of the Legislature to put up some of this money. Well, we were not very rich; members of legislatures seldom are; they are just "getting by". Mr. Whitney suggested that the members should raise a few hundred thousand dollars in the form of \$1,500 bonds. It was pointed out that if a formula could not be found the investors would lose their money. However most of the members finally agreed to subscribe \$1,000 or \$1,500, and these subscriptions, with those of others who put up similar amounts, provided the million dollars that was needed. Each member put up what he

could afford, in the light of Mr. Whitney's statement that, while a subscription of \$1,500 provided for a bond and 100 shares of stock, he did not know whether it was worth anything, and that certainly, if a formula could not be found, it was worth nothing. Some of the serious boys in the Legislature would not give anything, but a number of us foolish fellows, feeling that the enterprise would be of benefit both to Manitoba and Saskatchewan, provided what funds we could. So the pilot plant was built, and a formula was discovered. Subsequently stock was sold and money borrowed all over Canada and the United States; in all, \$20 million was raised to pay for machinery and get the enterprise going. Ever since that time the company has paid six per cent on our investment. Today my 100 shares are worth about \$8,000.

But now, who comes along? In walks the Government and says, "Aha, Haig, we will tax you on the income you are getting." I say: "All right; that is fair; if I am making more than the other fellow I should pay a bigger tax. But already the Government has taken half the company's profits. It is my \$1,000 and the other fellow's \$1,500 which made the profit possible; nobody else contributed to the company's success. Why, then, should the Government take half the company's profits away?" The honourable senator from Waterloo (Hon. Mr. Euler) has said that one-fifth of the tax is repaid to us. But what about the other four-fifths?

That principle of double taxation, to which I strongly object, affects the entire structure of our national industry. Ask any manufacturer you choose, and if he tells you the truth he will admit that he tries to add to the price of his product enough to regain some of the loss he suffers through this form of taxation.

I wish now to talk briefly on one or two other matters. First, I thank the Government for having raised the money grants to the universities of Canada. The increase of the grant from fifty cents to one dollar per head of the population is really a fine service to the nation.

One or two other comments I am about to make may sound rather political, but they are not really so, because I do not have to stand for re-election. A university education may mean nothing to some, but to the great majority of our people it is extremely valuable. I can bring to mind boys and girls who went to school in my home province of Manitoba and who, by reason of the education they received at college, have been able to occupy very prominent positions in this and other countries. I thank Providence for the men and women through whose foresight our