

third class. We were in 24-berth cabins. They consisted of four rows, with boards a few inches high, six above and six below on either side. Scant bedclothes were provided, and you didn't bother to take your clothes off; somebody would have stolen them if you did. However, we got over for \$17.60 each, and when we were here we were here. A little later my father brought his family out. It did not cost him a great deal of money but unfortunately when he arrived he was about finished. He had no money to pay his way back, and for eight months he could find nothing to do. So we had a tough time. In addressing one of our staff parties recently, I remarked that no one could tell me anything about two things—poverty and hard work; I knew all about them. For eight months we kept our home going on \$3.50 a week. It is true that in those days house rent was not expensive; in that respect times have changed. But the point is that that is all the money we had to live on, so therefore we lived on it. My father became very discouraged and talked about going back, but my mother, a little Scotswoman who stood about 5 foot 2 inches high and weighed 98 pounds, declared that we were not going back; and when she said that, of course we didn't go back.

I turn now to a question which was raised by the honourable Leader of the Opposition, (Hon. Mr. Haig). The matter of corporation taxes interests me just as much as it interests him. I have often thought that adoption by the Government of a graded scale of taxation would make things easier for the smaller companies. Today, in Ontario and, I believe, all the provinces except Quebec, the tax rate is 18 per cent on the first \$20,000 of net earnings, plus 2 per cent for old age pensions; and 45 per cent plus the old age pensions tax of 2 per cent on profits in excess of that amount. In Quebec, owing to the fact that the province has a corporation tax of its own, the rates are slightly different. I understand, although I am subject to correction by those who are better posted on these matters, that the tax rental agreements have expired and that new agreements have not yet been made. If the Government of Ontario decides to renew the corporation tax which it abolished twelve or fourteen years ago, and if there is to be in addition a dominion corporation tax, conditions will be very serious for some of the smaller businesses. Capital expenditures must be met. It is true that over the years there is an allowance for depreciation, but when one buys machinery one has to pay for it, and very few machinery manufacturers, so far as I know, are content to wait until a company receives its depreciation allowance;

they want to be paid when the goods are delivered. So I would repeat the suggestion that the corporation tax should in some way be graded to provide a little better break for smaller businesses than for those whose profits, as reported in the papers and at their annual meetings, run into millions.

I come now to the subject of inflation, a frightening and confusing word, and a topic which already has been discussed here at some length. I have thought a great deal about it. It is referred to, I notice, in paragraph 12 of the Speech from the Throne. I am not an economist, so perhaps I should not say anything about the subject, but I am always willing to learn, and I want to ask a few questions. There are in the Senate bank directors, directors of financial companies, big financial men, rich men, who probably know far more about inflation than some of the rest of us. Perhaps they will give us an explanation of what it is all about. I must confess my own ignorance. What would happen, for instance, if the suggestion of one of the Government supporters in the other place were adopted? Suppose all of us stopped buying automobiles and furniture. Suppose that every honourable senator, pondering the purchase of the customary three new suits in the spring, decided that he wouldn't buy any this year, and that the members of the House of Commons did the same thing. There would be a lot of tailors out of work. If we did not buy automobiles and furniture many automobile and furniture factory employees would become unemployed. In speaking about inflation the honourable Leader of the Opposition said that if the cost of living index were calculated on the original basis that the period 1935-39 equalled 100, it would stand today at 193.4. Well, what of it? It is eighteen years since 1939. In the meantime wages have nearly doubled in many businesses, so that the wage earner is just as well off today as he was then; his wages have been increasing as the cost of living has gone up.

This word "inflation" is, as I have said, a frightening and confusing word. I would like someone to explain to me what is wrong with a record prosperity and a record employment. It is true that there is seasonal unemployment today, but at the same time I think we have more employment in Canada than ever before, and it is all at good wages. What is wrong with that? Furthermore, if we say to people, "Now, you must not buy furniture or clothes or automobiles" what are we going to say to the Government, which is putting up public buildings all over the place? I am in favour of the erection of public buildings, for if this type of construction is stopped a lot of men will be thrown out of work. A