

and women in the ranks of labour, and I know that our taxation system imposes such a burden on labour that production costs are higher than they should be.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Haig: There is no doubt about that at all. As a practising lawyer in the city of Winnipeg I have observed the taxation rates increase so much since 1940 that many wage earners are no longer able to live on their pay, even though their incomes have been increased. Certain factors are involved in the manufacture of any article. There is the cost of labour and the cost of the raw material. Of course, in many cases the raw material has been processed before being shipped to the manufacturing plant. Then a tax is imposed on the income from the sale of the manufactured product. I think last year the Hudson Bay Mining and Smelting Company made a profit of approximately \$900 million.

Hon. Mr. Horner: Not \$900 million.

Hon. Mr. Haig: \$900,000.

Hon. Mr. Horner: \$9 million.

Hon. Mr. Haig: In any event, half of their profits went to the Canadian Government, which had done nothing to get that money. It did not have one nickel invested in the mine. The mine owners knew that in order to get people to invest in the mine the products had to be sold at prices which would give a reasonable return on the investment. When a manufacturer sells machinery, cars, binders or tractors he has to make allowance for his taxation costs, and he increases the price of his product to the consumer accordingly; otherwise, he would have to stop manufacturing. This sort of situation has come about in the last fifteen years, and it is the main reason why we are having trouble selling our manufactured goods on foreign markets.

Let us say that a labourer receives \$3,000 a year. If he is a married man without children he pays income tax on that part of his income over \$2,000, and if he is a single man he pays tax on that part of his income over \$1,000. Out of this small income of \$3,000 he must provide for food, clothing, shelter and perhaps put aside something for his old age, and so he seeks higher wages to carry on. Some honourable senators, including the honourable gentlemen from Kootenay East (Hon. Mr. King), and Rosetown (Hon. Mr. Aseltine), and myself, have served in this house for some twenty years, and we know that we had as much money left to ourselves when we got \$4,000 a year as when we got \$6,000. The difference in costs has increased that much. We cannot cut taxes

down in Canada by just saying we are going to do so. We have to cut down expenditures first, and then cut down taxes. We cannot do it by the reverse way.

Everybody is faced with two tax loads. First of all there is the personal income tax. Then there is the corporation tax, which is supposed to be imposed on corporations. But who owns the corporations? They are individuals. A few years ago the Bell Telephone Company endeavoured to get an increase in rates. The Board of Transport Commissioners proposed a certain rate, but the company demanded twice as much. Upon being asked why, it replied that the Government took half its profits anyway. Well, that is the situation. All those costs increase the price of goods to the consumer and, as I said before, this is one reason we are having difficulty in selling on the world market.

Hon. Mr. Horner: There is also the matter of the sales tax.

Hon. Mr. Haig: The sales tax and the excess profits tax only partly enter into the picture. In any event, we are faced with all this heavy taxation, yet there is no apparent desire on the part of people to cut down on expenditures. But if we do not cut them down we are going to be driven out of the world market. You may say, "Well, we have had good markets for the last few years." But look at what is happening today. The United States has just started to do exactly what I think they had been expected to do. They have a surplus of many agricultural products, and are shipping grain and other products to different countries, accepting their currencies in payment. We cannot sell grain to those countries on those terms. We as Canadians must realize that if we are going to compete successfully in the world markets our costs must be cut down.

Honourable senators, I am not one to criticize labour, and I stress that before going further. I want to say that unless taxes are reduced so that the labouring man, who earns his money, has enough left to live on reasonably—that is, to provide housing, clothing and food for himself and his family—there will be trouble. I would like the Leader of the Government in the Senate (Hon. Mr. Macdonald) to inquire and tell us how many men and women were unemployed in Canada at January 1 this year. I do not want to know how many applied for positions at the Unemployment Insurance Commission, because a lot of people who are working have applied. The labour organizations say there are many thousands unemployed in Canada, and I want to know what the actual number is. Why cannot the department tell us within a month