

We all know that those people who need assistance are, to put it as charitably as possible, not any more honest nor perhaps any more dishonest than the rest of us. Welfare workers, however, are well aware that one of their greatest problems is keeping track of the chiseller and the spendthrift. It seems to me that we are going too much on the assumption that all men and women are honest. I regret to say that this is not so.

I have urged that taxation must be cut severely after the war is over, in order that businesses which are being starved to-day can recoup stocks, replace worn-out machinery, pay their debts and build up their reserves. There is another reason why we must cut taxation as drastically as we can, and why, in my opinion, we cannot afford to take upon our shoulders a huge scheme which will cost us hundreds of millions of dollars a year, until business and agriculture have readjusted themselves. That reason is to be found in our prospects for immigration. I am quite sure every honourable senator believes that after the war is over Canada will experience a great wave of immigration, provided conditions in this country are attractive. The obvious reply of some honourable senator might be that the more attractive our social security scheme, the more immigration we are apt to attract. But I do not think we want the type of immigration that is attracted by a social security scheme.

We shall want to attract capital as well as working classes to this country after the war is over. And if we are to attract capital for industrial development, we need two things: cheap power and low taxation. That, to my mind, is another argument in favour of not trying to spend too much money before we have earned it.

In his budget speech delivered on the 2nd of March, 1943, the Hon. Minister of Finance told us that in income tax alone he hoped to raise this year \$1,372,500,000, made up as follows: from individuals, \$460,000,000; from the national defence tax, \$80,500,000; from corporations, \$530,000,000; from interest, etc., \$27,000,000, and from the excess profits tax, \$455,000,000. This is an enormous sum of money and certainly impinges very seriously on business. We are reaching the place where the progressive income tax is becoming so high that more business is not worth getting.

This is not the time to discuss our excess profits tax, but I might mention that I do not think it is a fair tax. This tax has always seemed to me to do two things: it keeps down the man who was down during the four years, 1936, 1937, 1938 and 1939, which are used by

the Government in estimating average base profit; and it allows the man who was making big profits during those years to keep on making them without paying any abnormal sum to the Government. The man whose profits have remained fairly stationary, no matter how large, pays a corporation tax of about 40 per cent; but the man whose profits have increased since the war started—whether that increase is due to better management, normal development or expansion due to the war—pays 30 per cent of his base profits to the Government, and 100 per cent beyond that.

As a result many businesses have been very severely crippled. I think it would be much fairer if the Government taxed the profits of every business 30, 40 or 50 per cent, as the case may be, and treated everyone alike. It is my opinion that under the present scheme not all businesses are treated fairly, because the Government assumes that all excess profits are due to war expansion.

In conclusion, honourable senators—and I am sure you will be glad I say “in conclusion”—I want to make a few constructive suggestions. The greatest problem with which welfare workers have to do is ignorance. The honourable senator from Peterborough (Hon. Mrs. Fallis) has had some experience in welfare work, as I have, and I am sure will agree with this. Sir William Beveridge pointed out the same thing in his remarkable report to the British Government. We must do something about this. We must try to raise the level of intelligence among our Canadian people through education. Some years ago, when I was chairman of a board of education, I made a study of criminal statistics with regard to education, and discovered some very interesting facts. I discovered that the great majority of our criminals had never gone farther than the public school. The percentage of our criminals who had had a high school education was very small, and the percentage who had had a university education was practically nil. I do not know what the school-leaving age is in other provinces, but I believe at the present time in Ontario it is sixteen years. Unfortunately this provincial regulation is too often nullified by requests from parents who want their children to start earning. When Ontario raised the age limit from fourteen to sixteen, certain provisos were inserted. I should have preferred to have it raised to fifteen years without any provisos.

In order to improve conditions after the war, I would teach domestic science to the girls of the advanced classes in every school of this land. By making it compulsory and possible for every girl during her last two years at school to learn to cook, to bake, to sew,