

I am not able to follow that at all. I have raised these points for the minister's consideration. But before sitting down I wish to ask this which, I think, goes to the root of the matter and which, if the minister is not able to answer it in detail, he may answer later. We have had this measure in operation for some four months and, although it may not be a tax, it certainly looks like one to all concerned.

I think we should all know what effect this is having. One hears statements made which, of course, may not stand up under cross-examination. But one does hear the statement that it is not having the desired effect. I think it is time now, after the lapse of four months, to find out whether the results are at all those which the minister hoped for.

I just wish to repeat that it seems to me this is just a hodge-podge of different ideas. I do not believe it will have the effect that was desired. While I am in favour of sound measures, soundly conceived, to conserve United States exchange, I cannot believe that this is soundly conceived. And now I hope that the government will see fit either drastically to alter it, or to withdraw it altogether.

Mr. ABBOTT: I shall not take time to answer the general observations of the hon. member, but I might be permitted to answer the specific question he asked, as to why the tax was not related to import content. The hon. member said he could not follow why we did not relate it. The first reason is that it would be manifestly unfair if we attempted to do that, because in a particular commodity such as a refrigerator, for instance, through no fault of the manufacturer at this particular time the import content of one refrigerator might be, let us say, 50 per cent and that of another might be very low. So that we would have on one manufacturer either a comparatively low tax, or almost none at all, while on the other one we would have a comparatively high tax. It would distort the whole competitive picture.

The second reason is that it is extremely difficult to administer. That was discussed with the Department of National Revenue, to see whether it would be feasible; and when you come to look into it, it would not be workable, aside from the question of its being unfair.

Then, as to the question of what the results have been on this particular phase of the policy of restrictions at this time, I frankly cannot say. It is tied up with the import restrictions. But I can say this, that at the end of February our exchange reserve of United States dollars stood at approximately \$527 million, outside the \$50,000,000 which we

have drawn from the export-import bank loan, as against \$514 million at the end of January.

I do not attach too much importance to that. Nevertheless it does demonstrate that the over-all program up to the present time at any rate appears to be accomplishing what it was intended to do. But, with the best will in the world, I do not know what portion of the results, if any, can be attributed to the fiscal side of the measure. How much the imposition of these proposed taxes has deterred persons from purchasing these articles which have a high import content, I cannot say.

I shall make inquiries from the officials and see whether any reasonable estimate can be given. If so, I shall give it, to date. But I do not believe it is possible to attribute to this aspect of the program any specific results.

Mr. GREEN: How much money has been levied by way of these excise taxes? What is the sum involved?

Mr. ABBOTT: I shall make inquiries. I am told by one of the officials in front of me that it would be difficult to apportion it; because the committee will recall that in respect of the automobile tax, for instance, it was increased from an already existing ten per cent right up to twenty-five per cent in the lowest bracket and on a sliding scale in the other brackets. In respect of toilet articles it was put on some which were not included before, while in respect of some of the others the rate was increased. On radios there was an already existing tax, and that tax is increased. Whether it would be possible to give the information, I cannot say at the present time. My officials in front of me tell me it would not be possible, but I shall look into the matter.

Mr. GREEN: Is any record kept of the money brought in by way of this tax being imposed?

Mr. ABBOTT: Yes, there is a record kept as to what comes in from this special excise tax, but it is kept pretty well by categories. It would certainly be difficult to break it down and show just what the results were. Of course no one has mentioned that some taxes have been taken off in these measures, too.

I did not wish to interrupt the hon. member from Calgary West, but I thought I should answer the specific question which has been asked.

Mr. SMITH (Calgary West): Before I say what I have to say, do I understand the minister to say that he has a record of these taxes? Are they going into the general revenue fund of Canada?

Mr. ABBOTT: That is right.