

now before circumstances make it impossible to save the forests of British Columbia for future generations of Canadians. This is a most vital and urgent obligation. I trust I have made some progress by way of proving to the government its responsibility for aiding proportionately in the protection of a major source of its own revenue.

The three to four billion foot crop, which can be produced if adequately protected, annually from the ten million and more acres of forests on the British Columbia coast will bring in an income of at least \$120 million every year. The protection of assets of such magnitude demands the serious attention of this government.

Mr. NICHOLSON: Did the hon. member indicate what the cost would be to the federal government of the interesting development he has suggested?

Mr. PEARKES: I did not say what the total cost to the federal government was, but I did quote the estimates by the chief forester of British Columbia.

Mr. J. O. PROBE (Regina City): Mr. Speaker, the budget address was presented some ten days ago, and in the meantime we have had an opportunity to study it and to receive from our constituents and other interested persons everywhere their reactions with respect to the forty-page discourse given by the Minister of Finance (Mr. Ilesley). This afternoon we heard a painstaking criticism by the official critic of the opposition, my genial friend, the hon. member for Muskoka-Ontario (Mr. Macdonnell). During the course of the few remarks I intend to make I shall refer to a few points wherein the official critic and I do not see exactly eye to eye.

If we consider the estimates that were tabled with the budget we find that it is expected that this coming year we shall be in receipt of some \$2,500 million from various taxes. As against that we are going to have ordinary expenditures of some \$2,770 million. The increase of expenditures over last year fall mainly under the following heads. There has been an increase in the debt charges of nearly \$100 million, owing to the large borrowings in the various loans last year. Family allowances are going to cost us another \$60 million because we are now in the first full year of the operation of the Family Allowances Act. Public works have grown by some \$15 million. In this regard I found it interesting, as I perused the estimates, to note that the government has generously allotted an increased expenditure of \$4,500 out of that \$15 million increase to my own province of Saskatchewan. I hope that our people will send the Minister

[Mr. Pearkes.]

of Public Works (Mr. Fournier) an appropriate letter of recognition for that startling increase in expenditures in my province.

On the side of decreases in expenditure I find that the Department of Reconstruction and Supply, which I think all of us feel is the outstanding department in the reconstruction period following the war in which I believe we still live, has reduced its commitments this year by some \$107 million as compared with last year. Its present commitments are largely to clear up obligations which resulted from war contracts. I find that expenditures relating to the purely administrative end of the Department of Reconstruction are below those of the Department of Labour and nearly \$5,000,000 below the cost of operating one branch of the Department of Justice, the Royal Canadian Mounted Police. So much for the principal current year expenditures because, after all, figures generally tend to bore us unless we can interpret them in terms of our national economy.

With respect to the important matter of tax relief, I think all of us expected that some measure of relief would be granted this year. We had expected that income taxes and excise taxes would be cut, to ease the growing cost of living, especially for those in the low income groups. Of course we have been disappointed, although the Minister of Finance, in forecasting changes which might come about next year, almost led me to believe that he has a plan somewhere in the back of his mind looking forward toward a cyclical budget covering a period of years instead of a budget running from year to year, as has been our custom. For the year 1946-47 our taxes, except in one instance, and it is rather a significant one, have remained unchanged. That instance which I think is significant is based on a resolution in the name of the Minister of Finance in which he proposes to reduce the excise tax on cigars, effective June 28, from \$3 to \$1 per thousand.

Mr. ILSLEY: The excise duty is reduced, but the ad valorem is increased and the total increase is \$160,000.

Mr. PROBE: Then we shall not get cheap cigars.

Mr. MACKENZIE: You have lost your last hope.

Mr. PROBE: I was thinking that we might have a cheap smoke.

The important tax from the point of view of the small income earner, in addition to the present onerous income tax, is the eight per cent sales tax, and that eight per cent sales tax on most purchases still stands. I