for the interval of two or three days before dealing with some of the important matters referred to then.

There have been rather substantial increases in the public relations and personal staff of the Minister of Finance, and after the event they endeavoured to see that summaries were provided to the C.B.C. and the press that would give the impression that the budget had substantially avoided the little man in its tax bite; but I was amused to find in this city of Ottawa on the following day something that is rather extraordinary. The two Ottawa papers do not always agree, but we find that they had almost exactly the same headline. The Ottawa *Journal* said "Every Pocket Hit", and the Ottawa *Citizen* varied it very little and said "Budget Hits Every Pocket". After a bit of digestion I think that is what is understood to be the result of the budget.

Certainly the increase in sales tax hits everyone, and a substantial portion of the new taxes to be levied comes from that source. I was somewhat surprised that this would be the tendency of the Minister of Finance, because he certainly was a very severe critic of the merit, so far as the little man is concerned, of placing special emphasis on tax raising from this source. Indeed the Minister of Finance, on the occasion of his last opportunity to discuss fiscal and monetary matters when on this side of the house, complained on March 21, 1957 that the minister of finance of that time had done nothing to reduce the sales tax on clothing, boots and shoes, etc. He went on to say, as found on page 2555 of *Hansard:*

> If inflation expresses itself in high prices then surely the government ought to have reduced the sales tax on those necessities of life—

Yet this is the source of tax revenue that seems to be chiefly relied upon in this budget.

Mr. Fleming (Eglinton): Chiefly?

Mr. Benidickson: In dollar volume. My hon. friend anticipates increased annual revenue of $352 million, and I think he will find that a very exceptional portion is from the sales tax.

Mr. Fleming (Eglinton): About one-quarter.

Mr. Benidickson: I am referring to the over-all tax on purchases for old age pensions as well as excise taxes.

Mr. Fleming (Eglinton): About one-quarter.

Mr. Benidickson: I think he will also agree that the tax on corporations is generally regarded as being passed on fairly quickly to the consumers, and I propose to have something to say about that, too. The Minister of Finance, in comments since Thursday night, has been called an Indian giver. Well, Mr. Speaker, I think the Indians in the part of northern Ontario from which I come could learn quite a bit from the present Minister of Finance, because the arithmetic is pretty simple. Actually he has taken back $2 for every $1 he gave in tax reduction in the pre-election budget or the baby budget of 1957.

But that is not the entire story. I think a great number of people who have had economic reverses during the period that my hon. friend has been in charge of the treasury will agree with the secretary of the trades and labour council, who said:

> Most of the minor tax reliefs granted before the election of 1958 were eliminated in Thursday's budget without restoring the level of economic prosperity that existed at that time.

We have had a very quick reaction as to the inflationary squeeze that can develop from further imposts on consumer expenditures such as were so prominent in the budget. Even the press was wrong. The following morning the headlines said "Fags Up 2 Cents." That, of course, seemed to be the nearest figure to the actual amount of the tax increase, but we all know that within a matter of hours the giant in the field said "Oh, well, we have increased operating expenses, and as a manufacturer our increase must be 3 cents." We quickly got a very similar reaction from other manufacturers. Canadian General Electric said their costs were rising. Westinghouse reacted in the same way and said that as a result of the new tax set-up they would have to reprice their goods. No one will deny that as a result of the repricing the consumer will end up paying out of the gross national product about which the minister speaks a great deal more than the actual dollar value of the taxes referred to in the budget.

I am sure there were a great many who were surprised that the minister had actually increased the purchase tax with respect to automobiles. I am sure the ministers from the Ontario constituency, the hon. Minister of Labour, as well as the hon. members from Essex constituencies would be very surprised; because we recall the great enthusiasm with which hon. members opposite greeted the announcement of a 2.5 per cent decrease in the purchase taxes on automobiles announced by the Minister of Finance in December, 1957. Statements were made that this amounted to a 25 per cent reduction of the excise tax formerly at 10 per cent. Well, put on that arithmetical basis the minister has taken back 40 per cent of the value of any reduction he made at that time.

It has been said that perhaps early today we will hear from the treasury benches, and that perhaps the spokesman will be the