

The Budget—Mr. Bourque

former section of the Income Tax Act. Following the supreme court decision it was held that mutual insurance companies did not have to pay income tax except on income from investments.

It seems that this might very well be a spite tax because in Ontario, for example, there are 66 mutual fire insurance companies. In 1951, when taxes were levied at about the same rate as proposed by the minister now, the total taxes collected amounted to approximately \$184,000. In 1952 the taxes from these 66 companies amounted to approximately \$158,000. From the point of view of the total revenue required for the budget, this amount seems relatively trivial.

It hardly seems fair for the minister to reduce taxes on diamonds, furs, cigarette holders, pinball machines and other luxuries, while, in effect, at the same time putting a tax on an essential article such as fire insurance which farmers, as a rule, can get in no other way. It seems very unfair, as I said, to tax an essential service and make the farmer the goat.

I should like to say a word now about mutual wind insurance companies. In the last few years in Ontario, for some unaccountable reason and I suppose we shall have to ask the weatherman about this, there has been an increased hazard from tornadoes. The result has been that a great many more persons are taking out wind insurance and those who have such insurance have been increasing it. Shortly before the Easter recess, according to the newspapers, tornado warnings were posted in Ontario. The result has been that wind insurance companies have had to greatly increase the amount of insurance they have had to underwrite, thereby increasing the amount of surplus that these wind insurance companies have had to have. If they are taxed on the surplus it makes it difficult to build it up to the point where they can make refunds to their customers.

In conclusion on this subject I would stress that the minister should give this subject further consideration. I am sure he has had many representations already, but it does seem unfair that credit unions are not taxed, co-operatives are taxed in a relatively small way, whereas mutual insurance companies, which are basically and essentially the same type of thing, should have this tax on their services. As I said before, I do not believe the people who are concerned with mutual fire insurance and wind insurance companies are worried about paying taxes after the surplus has been built up to the point where they can make refunds to their patrons. It is during the period of building up the surplus

to the point required by provincial law before they can make refunds that they object to the tax.

Mr. Romuald Bourque (Ouiremon-St. Jean): May I first add my congratulations to those that have already been accorded to the Minister of Finance (Mr. Abbott) for the skill and clarity with which he has again this year presented his budget to this house. Under the direction of the minister, the Department of Finance has gained added distinction, and the succession of budgets introduced by the minister has brought credit to Canada not only among our own people but in many nations abroad. I join in expressing the general regret that the minister has determined this shall be the last budget he will present to this house. For that reason this budget has been described as his swan song, but like all the others that have gone before it, its melody has been one that must please the great majority of the people of Canada.

The consistent melody throughout the minister's tenure of office has been sound financing which has kept this country's books in balance, and which is reflected in the position held by the Canadian dollar in the money markets of the world. We are the envy of many nations whose financing, perhaps for reasons beyond their control, has constantly led from one deficit to an even larger deficit. Our Minister of Finance, rightly I believe, determined upon a policy of paying as we go without imposing unbearable burdens upon the taxpayer. He has managed thus to reduce our national debt, meet all our obligations and provide essential funds for our expanding defence forces.

In the history of this country to be read by future generations the term "Abbott budget" will be read with pride by all those who make a serious study of this period of world-wide financial problems and difficulties. We have been well served by a minister who has grasped the fundamentals of budget making, who has a sense of history and who wisely looks to the future while formulating his budget for today. The Abbott budgets have been worthy successors to those of Fielding and Robb and Ilsley, which through good times and bad maintained this country's finances on a sound foundation and contributed to our national growth and development.

As a member of this house and a supporter of this government I was proud when the minister, in his important budget address, spoke as a Canadian who put the welfare of his country above local, sectional or party interests. This government is pledged to