I could read further from their submission. They say that a severe blow has been struck. They go on to say:

> An increase in costs must inevitably bring with it a slowdown in building.

They refer to the gimmicks that have been introduced by the government as not being beneficial under the circumstances. Then they go on to say:

> The mechanics of application of the sales tax to lumber has already seriously affected the efficient operation of the forest products industries. From coast to coast and at all levels of distribution in the trade, it is the unanimous feeling in our industry that never has such a chaotic tax jungle existed.

Then they point out how difficult it is to get refunds. They are told that all they have to do is write in order to get refunds, but then there is a lot of talk and no refunds are ever forthcoming. They go on to say:

> —hundreds of thousands of man hours have been expended by industry officials and their employees in an attempt to make some sense out of the numerous ambiguities, contradictions and plainly incomprehensible rules and regulations which the government has produced.

They go on to speak about the confusion and frustration. What about labour? What does it say? I have been speaking about industry. The association of international representatives of the building and construction trades co-operated with the Canadian Construction Association in a representation, and I read what labour has to say about this matter from page 6:

> —we cannot avoid reiterating our joint dismay regarding the building materials sales tax imposed by the 1963 budget. It is quite erroneous to believe that industrial, commercial and private construction generally are not affected by the cost implications of this measure...The staging of the tax reduced the initial impact of the tax and the volume of work during the past six months has been stimulated by a desire to expedite projects before the balance of the increases are imposed...
>
> This situation has so far tended to convey a false impression. These factors will not apply if the schedule increases in the federal sales tax rate on construction materials and production equipment are put into effect and the end result will be a decidedly adverse effect in reducing the capital investment and employment potentials.

What greater warning could one have than the warning of labour coupled with the warning of business? What about the Ontario sheet metal workers council? They had this to say in a resolution adopted by them:

> Adding a further tax burden to a proposed industry before it has begun producing could be the factor that would cause expansion plans to be abandoned...
>
> Therefore be it resolved that the government of Canada be implored not to increase the sales tax on materials, machinery and equipment used in the construction industry from the present 4 per cent to 8 per cent in April of 1964 and to 11 per cent in January of 1965 as is presently proposed.

Finally, in the *Globe and Mail* of February 19 there is an article by Fraser Robertson headed "Ottawa Can't Ignore Long Term Effects of Fuzzy Policies." Who created the fuzz? They are sitting over there. They created the fuzz.

Then the article goes on to deal with the visit of Mr. Nicholson, and reads as follows:

> Mr. Nicholson was singularly indifferent to the idea that confused policies and hasty legislation might be hurtful to business. The moon did not fall down—

It is about the only thing that has not.

> —the Canadian economy did not come to a stop, we are not on the brink of a financial disaster, he told the lumbermen.

This is the time to bring up this matter. I know it will be argued that we should wait until the budget is presented. Well, we had experience with the budget last year. They brought it in, and do you remember the blare of trumpets, Mr. Speaker, the pride and exultation? Then, in the light of experience, within a few days they started to run for cover. They have already given notice indirectly, through the Minister of Finance, that the iniquitous tax on United States investment which is to come into effect later this year will not come into effect. There has been no such suggestion regarding this matter which affects Canadians directly. Whenever the United States say they want a change, the government bends. It is time for parliament to have an opportunity to say to the government, this is something that is wrong; this is something upon which we want action. If we wait until the budget is presented in April the increase will have taken place. Now is the time for action.

Every institution in Canada from which I could quote, and I could quote from many more, says that this tax is unjustified; that it is a brake on expansion; that it is detrimental to our export trade; that it places added burdens on the cost of production and the cost of living of the people and that it means fewer jobs for Canadians. Is there a more important matter for parliament to deal with than that?

Therefore I move, seconded by the hon. member for Winnipeg South Centre (Mr. Churchill):

> That the following be added to the address:
>
> But we respectfully regret that Your Excellency's advisers have failed to propose the repeal of the 11 per cent sales tax imposed as a result of action by the present government in 1963, on certain building materials and certain machinery and apparatus to be used in manufacture or production which is, and will continue to be, detrimental to various segments of the Canadian economy.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I must begin as my right hon. friend began, and like him I do so in no