

The Budget—Mr. Badanai

less in taxes in 1959 than in 1956, would be well advised to scrutinize the figures again. They are as follows:

	Tax Collections		Percentage Changes
	Fiscal Year		
	1956-57	1959-60	
	(millions of dollars)		
Personal income tax	\$1,525.5	\$1,751.6	+14.8%
Corporation income tax	1,335.6	1,234.2	- 7.7%
Net federal sales tax	717.1	732.7	+ 2.1%
Total	3,578.2	3,718.5	+ 4 %

The difference between the totals is \$140 million.

The Acting Speaker (Mr. McCleave): Order. I must ask that the members on the right side of the house abate their conversation in order to allow the hon. member who has the floor to make his speech.

Mr. Badanai: The hon. member might very well ponder the question of who paid the additional \$140 million in federal taxes in 1959. It certainly was not the corporations, for the figures reveal that they paid approximately \$101.4 million less in taxes in 1959. The answer, of course, is that this additional tax burden fell on the individual Canadian taxpayer in the form of personal income tax and additional federal sales tax.

The justification for the pre-Christmas session, which was understood to have been called for the specific purpose of introducing measures which would alleviate unemployment, has not been realized by the contents of this budget. It has ignored the expected elimination of the 7½ per cent excise tax on automobiles, something which would have created a greater demand for Canadian-made cars and thus have increased the number of jobs in our car manufacturing plants. The minister failed to mention the automotive industry, notwithstanding the representations and consultations with manufacturers, labour unions and others. Evidently the minister is quite satisfied to leave the problem with Dr. Bladen, whose prescription will eventually reach the door of the office of the Prime Minister (Mr. Diefenbaker) where it will receive the usual consideration.

My opinion is that the elimination of the 7½ per cent excise tax would do more to revitalize the industry than would any other single government action and I shall be surprised if the one-man royal commission does not make the removal of the excise tax on motor cars one of its first recommendations. It was unfortunate that instead of waiting for the commission's report on its findings the government imposed an increase in the valuation placed on British and European cars imported into

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Canada, the effect of which was only to raise the price of these cars by approximately \$300.

This action of revaluation can be looked upon as being embarrassing to the commission which the government set up for the very purpose of prescribing remedies. If the commission should recommend that valuations on imported cars be not increased, what is the government then going to do? Then we can well ask ourselves what was the purpose of appointing a royal commission.

I must confess that I share the disappointment of the entire automotive industry in the failure of the minister to remove the iniquitous 7½ per cent excise tax on passenger cars which, I may add, is being levied under false pretences. I think I am justified in saying this because it is a tax which was originally imposed as a luxury tax to discourage Canadians from buying at a time when there was a scarcity of steel and other materials which were needed first for the war effort and second, for the re-establishment of secondary industry in the post-war period. The time is long past when such reasons or excuses can be considered valid for the retention of this tax.

The minister had nothing to say about the premium on the Canadian dollar. It is true that it is now at near par with the United States dollar. However, a stabilization of the rate of exchange for the Canadian dollar should be considered now. It should have been done a long time ago.

The apparent advantage of the premium has actually been a problem which interfered with the stimulation of export trade. I directed a question to the Minister of Trade and Commerce (Mr. Hees) in the house during the trade commissioners' conference in Ottawa. I asked whether the high priced Canadian dollar had been discussed. I was more than mildly surprised to receive a negative reply from the minister whose responsibility it is to promote exports.

I venture to say that the minister of the newly created Department of Forestry—to whom I wish to express my congratulations upon his appointment, and also my best wishes—will not find it difficult to agree that the premium on the Canadian dollar has been a definite detriment to the forest industries, which are substantial in the economy of our nation. Were it not for a healthy pulp and paper business northwestern Ontario would be economically insolvent. I need not remind the minister that practically one third of our annual total exports is represented by pulp and paper, lumber and other forest products.

In the gross national product forestry industries represent twice the combined output of all the metal mines in Canada. But we