

**Hon. Mr. Aseltine:** Honourable senators, there is one part of this bill which I particularly do not like. I think the thirty per cent tax on candy, chocolate, chewing gum and confectionery that may be classed as candy or a substitute for candy is an extremely heavy one. Among our Canadian population there are some 4 million children. Honourable senators will probably remember the expression "It is like taking candy from a kid". I am afraid that this section does that very thing, and that our Canadian children will more or less suffer because of this new taxing law.

I notice in Bill No. 9, an Act to amend the Excise Tax Act, a provision for taxing brandy, spirits, malt and commodities of that type. The increase there is only a small one, \$1 per gallon. My honourable friend from Bedford-Halifax (Hon. Mr. Quinn) nods his head, so I presume I have stated the facts correctly. If money is so badly needed, I should like to see section 16 eliminated from Bill 8 and an additional tax placed on rum and other spirituous liquors.

**Hon. Mr. Beaubien:** You would not get the same revenue.

**Hon. Mr. Aseltine:** If this were done I think it would meet with the general approval of all the people of Canada.

I notice that section 15 of the bill before us provides for a tax on carbonated beverages. Perhaps that is a good thing. In my home district of Saskatchewan huge quantities of these beverages are consumed, particularly by the young people, for whom I do not think they are good at all. They contain some ingredients that I personally object to.

**Hon. Mr. Quinn:** What ingredients, for instance?

**Hon. Mr. Aseltine:** I am not going to say what they are.

**Hon. Mr. Quinn:** They are all perfectly harmless.

**Hon. Mr. Aseltine:** I remember on one occasion telling a lady that a nail, if left over night in the beverage which she was drinking in large quantities, would dissolve. Her answer was that she had no nails in her stomach.

Generally speaking, I think that we on this side have no objection to the bill. However, I should like to see item 16 eliminated and the tax placed on spirituous liquors. That I feel would be a popular move.

**Hon. Mr. Quinn:** My honourable friend from Rosetown (Hon. Mr. Aseltine) is unduly alarmed about the ingredients in carbonated beverages. I happen to know something

about these ingredients, and I can assure him that none of them would hurt anybody. One tax that I consider to be very high is the 50 cents on carbonic acid gas. That strikes me as being rather exorbitant. It falls on the soft drink manufacturers and will be passed on to children and young people.

**Hon. Mr. Roebuck:** Honourable senators, I wish to refer to another feature of the taxes on carbonated beverages. It will be noticed that carbonic acid gas when mixed by a manufacturer with water and syrup is taxed at 30 per cent; but if the gas goes to the retailer in a separate container and is mixed by him on the counter, it carries a tax of only 50 cents per pound. The difference between the two rates of tax is very considerable. The manufacturers who do the mixing in their factories and deliver the beverage in a container from which it is simply emptied by the retailer into the consumer's glass, will be hit so hard by this tax that they will not be able to compete with the retailer who does the mixing on the counter. There may not be more than two of these manufacturers in Canada; certainly that is all there are in Ontario.

Perhaps I have not made my point quite clear. If the carbonic acid gas or carbon dioxide, the CO<sub>2</sub>, is mixed by a manufacturer at his factory, where the mixing will be better done than it would be possible to do it on a counter, the tax is 30 per cent; but if the CO<sub>2</sub> is shipped separately in a container to a retailer and mixed by him with water and syrup on a counter, the tax on the gas is 50 cents a pound. The difference between the two rates is so large that I am afraid the Ontario manufacturers will be put out of business. This tax on the manufacturers is unnecessary and unfair, and I think it should be thoroughly reconsidered by the government. I suppose it will pass now, but I hope that in the recess before we meet again further consideration will be given to this item.

**Hon. Mr. Reid:** I would remind the honourable member that there are several well-known brands of pop which, besides being obtainable in a bottle, may also be drawn by the glass.

What I chiefly wish to say is that every time a tax on candies and soft drinks is proposed a great cry is raised on behalf of the children. On one occasion in another place I contended that honourable members who advocated greater consumption of these things had no concern for the health of children. Of course, I am old-fashioned. When I was being brought up children were not supplied freely with money for the purchase of candy bars and soft drinks. I think that anyone permitted to look through the files of the