

*Excise Tax Act*

hon. member addressed to a former administration when discussing former legislation, but it is deficient because it fails to comply with promises made by hon. members opposite to the Canadian people. Now when one particular industry finds itself face to face with a serious economic situation, competition and very high unemployment, and when they are told on all fronts that if there was a removal of the excise tax there would be some improvement in that industry, the hon. minister, notwithstanding the assurances and the promises of the Prime Minister, sits in his seat in his third year of office and ignores these promises.

That is the gist of the complaint of the hon. member for Fort William. As one who represents the constituency where these automobile companies are situated, using the general application that the minister did when he was discussing amendments to the Excise Tax Act in 1955, I say in a general way, why is the excise tax on automobiles not completely removed? That was a promise given by the Prime Minister of this country to the people of Canada.

The minister and I have had an exchange of letters in this regard and only because I am afraid that he would object do I fail at this time to put this exchange of letters on the record. It is an exchange wherein he addressed me in the friendliest terms in the first letter but addressed me in the most distant manner in the third letter.

**Mr. Fleming (Eglinton):** Wait for the fourth now.

**Mr. Martin (Essex East):** This exchange would, I am sure, be most edifying. Notwithstanding what the minister has failed to do in this particular bill now before the house, my hon. friend cannot get away from these words of the Prime Minister (Mr. Diefenbaker) uttered in my city on May 10, 1957:

The present 10 per cent excise or "luxury" tax on new cars is discriminatory to automobile producing centres. Its continuance brings unjustified unemployment and should have been removed by the Liberal government at the last session of parliament.

It will be no answer to say that the previous administration should have done it.

**Mr. Fleming (Eglinton):** Why not?

**Mr. Martin (Essex East):** Because unemployment was not then anything like as serious as it is today.

Hon. gentlemen receive delegations; they give all kinds of assurances. But the way to assure a delegation representing a community that feels it suffers from a serious economic situation is not by general words that give

[Mr. Martin (Essex East).]

evidence of diplomatic skill; the way to prove one's sincerity in this matter is by concrete action.

The Minister of Finance can now bring in a bill abolishing the excise tax on automobiles. While that in itself would not correct the situation, it would go a long way toward doing it and in closing I regret that my hon. friends greet my remarks with laughter.

**Mr. Speaker:** Is the house ready for the question?

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Flynn in the chair.

On clause 1—*Bond*.

**Mr. Benidickson:** The regulations hitherto have been confined to a bond from a fidelity company, or something of that nature. Is not that so?

**Mr. Fleming (Eglinton):** The terms of the present act are set forth in the explanatory note, Mr. Chairman. This particular clause corresponds with paragraph 14 of the resolution.

**Mr. Herridge:** Section 35(4) of the present act reads as follows, according to the explanatory note:

The security shall be by a chartered bank or by bond of an incorporated guarantee company authorized to do business in Canada, acceptable to the government of Canada, or by deposit of Dominion of Canada bonds.

The clause in the present bill reads:

The security shall be by a chartered bank or by bond of an incorporated guarantee company authorized to do business in Canada, acceptable to the minister, or by deposit of bonds or other securities of or guaranteed by the government of Canada.

Can the minister explain why there is that change in wording, and why the wording now reads "acceptable to the minister", language which is not now in the present act?

**Mr. Fleming (Eglinton):** I may say, Mr. Chairman, this provision widens the scope of the securities which are acceptable. When providing bonds in this particular case some minister has to take the responsibility of passing on the acceptability of certain securities other than those of the Dominion of Canada. This duty is placed on the shoulders of the minister. The following words indicate that bonds or other securities of or guaranteed by the Dominion of Canada shall in all cases be acceptable.

Clause agreed to.