

Excise Tax Act Amendment

Canadians want to use. I am afraid that not much evidence has been given to the committee to convince us that that avenue has been explored to the end. The minister mentioned yesterday that we had full or nearly full employment; but that does not mean to say, by any means, that we have our industries working at anything like 100 per cent efficiency. It seems to me that the minister should give us some assurance that the government, before it imposes this tax, has investigated this other alternative and has satisfied itself that it has given every assistance and leadership in trying to bring up the efficiency of the manufacturing industries in this country to the point where they just cannot get any more production.

Mr. ABBOTT: To answer my hon. friend's question, as I said yesterday afternoon, there are two ways in which we can re-create this over-all current account surplus that I have been discussing, and that is by increasing production and by reducing consumption; either or both of those methods. We are now operating apparently under a condition of practically full employment. Our production is away ahead of anything it has ever been before in this country. No doubt it could be increased by lengthening hours of work, by improving methods, and perhaps by a variety of other ways. There is this point to be borne in mind, however, that increased production in this country, particularly in the industrial field, involves increased imports of such things as steel, fuels, petroleum and so on from the United States. So I must say I do not believe the cure for this situation, namely the creation again of this over-all current account surplus to which I have been referring, can be achieved entirely by an increase in production. I would hope that we could increase production to some extent; but I think it has to be achieved in the volume we need by some reduction in the level of domestic consumption, either in the capital or in the consumer field.

Mr. FLEMING: There is a point in connection with this amendment which I think the minister has not adequately explained. We are dealing with a group of amendments which generally have the effect of reducing the list of articles in respect of which the excise tax is to be imposed. But some of these amendments have already taken effect. The minister undertook to levy this tax illegally and, according to his statement tonight, without any colour of right, legal or constitutional, has extorted from the people of Canada between \$5,000,000 and \$6,000,000 under the tax

[Mr. Low.]

announced by radio on November 17. The same minister, as it has pleased him from time to time, has undertaken to remove this illegal tax from certain articles. For instance, on November 9 we read that the tax had been removed from pianos.

Mr. ABBOTT: What date?

Mr. FLEMING: January 9. Then on January 21 we read that oil burners and sporting goods had been removed from the list. On January 23 we read that the tax had been taken off air-conditioning equipment. The minister has not yet explained—

Mr. ABBOTT: Yes, he has. It was one of the few occasions when my hon. friend was not in his seat.

Mr. FLEMING: The only occasion during the course of this debate when I have not been in my seat was yesterday afternoon when for one hour I was fulfilling my duties in the prices committee.

Mr. ABBOTT: This was a week or ten days ago.

Mr. FLEMING: I can tell the minister I have read everything he has had to say during the course of this debate. I ask him to say what has been collected on each of these items he has purported to remove from the illegal tax, and exactly what he is proposing to do with the money that has been brought into the public treasury by his illegal act and which now, with the removal of the tax, certainly has less business staying there than it had to begin with, and that was none at all. I ask the minister if he will give the committee a clear picture in that regard. I am speaking now only of the amendment which has been proposed to the original resolution. I have something more to say on the resolutions as amended, but I am confining what I have to say now to the amendment. I ask the minister if he will give the committee a complete picture of what has been done or what is to be done with respect to the articles originally included in the list of November 17, but which since have been removed.

Mr. ABBOTT: I went into this in some detail one evening not long ago. I cannot give the date, because I have not had a chance to look at *Hansard* since my hon. friend commenced to speak, but in reply to a question by the hon. member for Muskoka-Ontario I gave the considerations which prompted me to remove the various specific articles from the list of those subject to tax. As to what was done when those were removed, of course that action followed repre-