

Excise and Sales Taxes

of transportation problems they cannot be passed over to a commission. The government must deal with the Prince Edward Island government.

Mr. Chevrier: I do not know if that is intended as a question, but if it is the answer again is no. The body that is responsible for negotiations in this case is the Canadian maritime commission, and it is with that body that Northumberland Ferries should negotiate.

SUPPLY

Hon. Alphonse Fournier (Minister of Public Works) moved that the house go into committee of supply.

EXCISE AND SALES TAXES—EFFECT UPON
MUNICIPAL COUNCILS AND SCHOOL
BOARDS

Mr. George A. Drew (Leader of the Opposition): Mr. Speaker, I propose to avail myself of this opportunity to place before the house a motion which would give hon. members on both sides an opportunity to express their opinion in regard to a subject that has already been before the hon. members of this house at another time, but in regard to which they were denied an opportunity to record their opinion. It will not be necessary to discuss this matter at any length because the views of the members have been put forward on earlier occasions in regard to the particularly onerous effect of excise taxes and sales taxes upon municipal councils and school boards.

On an earlier occasion it was said that this subject has been discussed a number of times. It has. However, the members of this house during the present session have seen, on different occasions, the beneficial results of repeated requests for consideration of subjects which were able to commend themselves to the good judgment of the members of this house. When this subject was before us on an earlier occasion it was indicated that there would be difficulties in the way of working out plans for the exemption of municipal councils and school boards from the impact of these taxes. It does not seem that this objection has any valid foundation. It would be a very simple matter to make the necessary arrangements once a decision was made. As every cent of money spent on the purchase of machinery and other equipment by municipal councils and school boards represents money raised by taxation, this is a form of tax on tax which creates a very severe burden. I would point out that at this very time, in different parts

of Canada, educational authorities are emphasizing their difficulty in meeting the increasing cost of education. We are told that it is difficult for school boards to provide the money for teachers because of the amount they are required to spend for the building and equipment of their schools. A considerable part of that expense is made up of excise tax and sales tax imposed by this government on purchases representing taxes already collected from the municipal taxpayers.

The fact that this is an unjust form of taxation has been recognized in the case of the provincial governments. Exemption is provided to the provincial governments with respect to all purchases of this kind. The same principle should apply with equal force to the municipal councils and school boards which are buying equipment, machinery and other things of that kind needed in the daily requirements of the people, either for education or for the ordinary services to the community.

In view of the fact that our position has been clearly stated on another occasion, I leave my remarks there and present the following motion, seconded by the hon. member for Greenwood (Mr. Macdonnell):

That all the words after "that" to the end of the question be deleted and the following substituted therefor:

"whereas the present policies of the government impose a heavy and unjust burden of taxation on municipal taxpayers;

This house is of the opinion that immediate consideration should be given to the introduction of legislation which will provide for the exemption of all municipal councils and school boards from the payment of excise taxes including the 10 per cent sales tax on all purchases of machinery and other equipment, and which will further provide for taxation of all federal government properties in municipalities on the same basis as that of ordinary municipal taxpayers."

Mr. M. J. Coldwell (Rosetown-Biggart): Mr. Speaker, I am rising to support the amendment this afternoon because we have taken much the same view as that which has been expressed by the Leader of the Opposition (Mr. Drew), the hon. member for Greenwood (Mr. Macdonnell) and others during the course of the budget debate. In discussing agricultural problems yesterday I mentioned some figures which indicated that between 1939 and 1952 the taxes on farm buildings and farm lands had increased by approximately 200 per cent. What is true of the increase in taxation in rural municipalities is equally true in the villages, the towns and the cities across Canada. It seems to me that this government or this parliament—for it is, of course, parliament which imposes the taxes, although the government suggests