

*Excise Tax Act Amendment*

of a country, as was done by the minister in his broadcast over the air that night, when parliament was not in session. Added to that, there was some discussion this afternoon about the emergency and how it came into being. That emergency was pointed out in the previous session by several speakers of this party before that session came to an end. I wish to refer to something that happened last fall, in the months prior to November 18, in connection with the foreign exchange control board.

Mr. CLEAVER: I am going to ask you, Mr. Chairman, to rule on the point of order. I was not allowed to discuss foreign exchange control.

Mr. ROSS (Souris): This is under foreign exchange control.

Mr. CLEAVER: We are not discussing foreign exchange control.

Mr. ROWE: We are discussing austerity.

Mr. CLEAVER: We are discussing the excise tax, and I am asking for a ruling of the Chairman.

Mr. ROSS (Souris): As I understand this whole procedure, it is to conserve foreign exchange. Am I right or wrong? I have here a pamphlet issued by the government of the day in February, 1948, and it is rather strange. It deals with the marketing of grains and so on.

The CHAIRMAN: Order. I cannot see that there is any objection to referring to some other act in this debate, if the hon. member is only going to refer to some other act.

Mr. ABBOTT: We covered quite a wide field. This resolution is the ordinary budget type of resolution preceding the introduction of an act to amend the Excise Tax Act. I do not believe we should go into too great detail; in fact, we should not go into detail at all as to the operation of the foreign exchange control board or any other government board. The resolution relates solely and exclusively to the proposed excise taxes and an amendment to the Excise Tax Act.

Mr. ROSS (Souris): The words that the minister himself used, as reported at page 336 of *Hansard*, are:

Now I have emphasized that the main purpose of the new excise taxes is to save United States dollar exchange rather than to produce more revenue.

Mr. ABBOTT: That is right. So what?

Mr. ROSS (Souris): That is what I want to make reference to.

Mr. ABBOTT: But we are in committee.

[Mr. Ross (Souris).]

Mr. ROSS (Souris): Certainly we are in committee.

The CHAIRMAN: I cannot see that the hon. member is prevented from making reference to it, but he should not debate foreign exchange.

Mr. ROSS (Souris): No, I am not.

The CHAIRMAN: I understand that he is merely making reference to it.

Mr. ROSS (Souris): Yes. I wanted to say this. According to government statistics issued and received in yesterday's mail, of the rye crop produced in the province of Manitoba in 1947, 205 per cent has been marketed in the first six months of this marketing year. Why? Because millions of dollars of United States funds were advanced by the foreign exchange control board under the finance minister of Canada to purchase this excess rye in the United States, which was the rye brought into Canada and exported to European countries on our own credits which the Minister of Agriculture said the other day would never be repaid. That has been bringing about this situation and has caused to some degree part of the emergency which we have had developing for those many months. I just want to make that reference.

Mr. ABBOTT: What nonsense!

Mr. ROSS (Souris): As to the actual items mentioned in this resolution, I have another pamphlet put out by the government which, according to their surveys, points out that in the three prairie provinces only four per cent of the people have any electrical motors or appliances in their homes or on their farms. We realize that there is not any shortage of electrical equipment of this nature. Refrigerators are referred to. We have many veterans who have become married since the war. They have their gratuities. They want to buy some of these things. Only yesterday in the mail I received a letter from an important trading centre within my riding, and that fellow points out to me that he has requests for 250 refrigerators in that trading centre. That is brought about in this way. In the past year or two we have had a great hydro expansion in rural Manitoba. As a result of that expansion by the hydro, we now have a demand by the farmers alone, to say nothing of those towns and villages, for many thousands of Frigidaires as well as electrical motors and equipment of all sorts, such as equipment for the chopping of feed for livestock and so on. I could enumerate all sorts of articles listed in this resolution. Is it fair, for instance, with regard to these Frigidaires, that these farmers, after