

Excise Tax Act

the interjections and objections that have been made. I know that he means well. However, I cannot help feeling that there are some things that can be done and that the government has the power to do. I am glad to see the Prime Minister (Mr. Diefenbaker) now sitting beside his Minister of Finance. They have the power to do these things that would be beneficial to the country. The country expects them to do these things. The country expects the excise tax on automobiles to be removed as soon as possible.

Hon. Paul Martin (Essex East): Only because this matter is of the greatest importance, Mr. Speaker, do I run the risk of incurring displeasure. Because this matter is important and because one has a duty to perform, one must perform it in accordance with one's conscience and one's sense of obligation.

Mr. Fleming (Eglinton): And in accordance with the rules of the house.

Mr. Martin (Essex East): In so far as the rules of the house are concerned, Mr. Speaker, may I say that I shall try to do exactly what my friend the Minister of Finance did as a private member when he addressed himself not to the amendment to the Excise Tax Act but to those things which he thought should have been embraced by way of amendment to that act.

On the occasion to which I directed the attention of the house earlier when the hon. member for Fort William (Mr. Badanai) was speaking, the hon. member had been speaking to the introduction of amendments to the Excise Tax Act which were being moved to the resolution thereon; I refer to the resolution for leave to introduce Bill No. 418 to amend the Excise Tax Act. That last observation of mine is in answer to the question to which Your Honour directed my attention some few moments ago and to which I was unable to give an answer, Mr. Speaker. But I find that the Minister of Finance directed his attention for a very minor portion of the time to the amendment and then he went on to complain about excise taxes generally. However, he did not confine himself to excise taxes only. He talked also about the sales tax. He talked about hon. members of this house not being in order. My hon. friend is perhaps the best authority we have for going much further than anyone today has sought to go. I think it would be well to remind my hon. friend of some of the things he said about excise taxes generally. As reported at page 4375 of *Hansard* of June 2, 1955 he said this:

It is well that we should remind ourselves also that these taxes are levied at the manufacturer's or producer's level and, as everyone knows, as

[Mr. Badanai.]

these goods pass from hand to hand, to the wholesaler, to the jobber, to the retailer, and finally to the consumer, they attract mark-ups. Concrete cases have been given to the house on similar occasions without number in the past, to demonstrate beyond all challenge or question that a tax that begins as a 10 per cent tax at the manufacturer's level will in most cases become a tax of 20 per cent or more when the goods are sold by the retailer to the consumer.

Mr. Benidickson: That is what he said in 1956.

Mr. Martin (Essex East): It is interesting, by the way, that the hon. member for Kenora-Rainy River was piloting that legislation but he does not seem to have given the kind of difficulty to the opposition which almost at every turn today and in other debates the Minister of Finance gives. The Minister of Finance says that the particular matter of the excise tax on automobiles could have been raised on the budget. If it had the Minister of Finance would have found some pretext to raise some procedural objection which would include even mention in that debate, forgetting, of course, that events have taken place since the budget which well warrant the present discussion. If we were to try and raise this matter on the minister's departmental estimates he would rise in his place with righteous indignation and complain that this was a matter which did not involve administration.

Mr. Speaker, this is a matter which concerns thousands of people in this country and this is the only opportunity we have to raise it. I am not now dealing with a particular subject; I am dealing with the hon. minister's concept of the Excise Tax Act as enunciated by the former administration. What the hon. member said on that occasion still applies, but he has now given us an opportunity to remind him that the very objections which he raised to the Excise Tax Act of the previous administration continue to be adopted by him and this government. They were going to change everything, including the tax structure and the provision of tax relief as well.

Mr. Benidickson: And they have been three years in office.

Mr. Martin (Essex East): Three years in office, as the hon. member says. The consumer, as in the case of these direct taxes, is never told what portion of the price he pays for goods goes to taxes. Is the situation improved in that particular by the government of the right hon. gentleman who now sits with the Minister of Finance and who undoubtedly has come in to help the Minister of Finance in his present difficulties?