

*Excise Tax*

percentage of those incomes that the government takes in taxes. That results in higher government revenues.

The same applies to commodity taxes. By bringing about a general reduction in commodity taxes the minister could have avoided taking advantage of inflation and so have alleviated the conditions of people who are not income taxpayers. He could have eased for them the impact of the ever-increasing rake-off or skimming-off that is experienced as a result of the sales tax. The same may be said about provincial sales taxes. Instead of lowering sales taxes, some provinces have increased sales taxes and some may increase them even more.

I say that a general reduction in such taxes would have been my first alternative, or my first option, if I had been in the minister's shoes. Indeed, the benefits for the total Canadian population will be greater if there is a general reduction in the sales tax. That would be better than reducing the tax on specific items. Apparently the minister has set aside that proposition. At least, he may have considered it but he put it aside in favour of selective cuts.

So far as children's clothing is concerned, this proposal is fine. It benefits people with young children. It does not benefit those, whatever their income range may be, who have teenage children. In this day and age many young children are bigger and heavier than was the case in the past. There is a tendency for our population to produce bigger and taller children. The Canadian population is growing in size. We certainly notice it when we come to middle age, but it is not that kind of thing I am looking at.

**Mr. Baldwin:** Not with present food prices.

**Mr. Knowles (Winnipeg North Centre):** The hon. member should speak for himself.

**Mr. Lambert (Edmonton West):** I am speaking for myself. I know the hon. member for Winnipeg North Centre (Mr. Knowles) lives on tea and arrowroot biscuits. The hon. member's reputation for this is well known in the House. As he celebrated his sixty-fifth birthday a short while ago, I thought it as well to put his idiosyncrasies on record. He has a well known reputation for being a tea and arrowroot biscuit fellow.

**Mr. Knowles (Winnipeg North Centre):** I suggest that is not the case with the hon. member for Edmonton centre (Mr. Paproski).

**Mr. Lambert (Edmonton West):** That means that all the constituencies in Edmonton are solidly represented. A generation ago, if we looked at high school students who turned out for a football team it was rare to see one weighing over 200 pounds. Today it is not uncommon to see 15-year and 16-year olds, who are not fat boys, weighing 240 pounds; and are over six feet tall. They are big, husky young men. So I am saying that families having larger children will not benefit from this elimination of sales tax on children's clothing, because children's clothing is measured by sizes. Some people will benefit from the elimination of this sales tax because their children are very small. It is surprising the number of people this affects. There may be some difficulty.

[Mr. Lambert (Edmonton West).]

• (1220)

The other day I received a letter which proposed that in order to qualify for the tax exemption on children's clothing, those children attending school up to a certain level should be able to use their identification card to purchase tax exempt clothing for their own use. This would benefit children of all sizes in this age group. One 12-year old child may weigh 150 pounds and be five feet six inches tall. Another 12-year old may weigh only 120 pounds and barely reach five feet. Under this proposal the effect would be the same for both.

In the administration of the elimination of sales tax on children's clothing, some sort of formula should be devised that is much more equitable in so far as the taxpayer is concerned than mere reliance upon a certain size. I do not know what size a 12-year old would wear. Possibly they would need a 14X, or something like that. It has been a long time since my family grew out of children's clothing. I would not call my 17-year old a child; he would not appreciate it. The benefit should be passed on to all taxpayers, not only those with normal sized or small children.

I now wish to deal with the question of confectionery products. I daresay the soft drinks, chocolate and sweet biscuit industries will be quite happy with this provision. Whether the general consumer will benefit from it, I do not know. It may be this 12 per cent tax relief will be used to counteract a potential price increase and therefore serve for a time as a cushion against the inflationary push that these industries face as much as everyone else: there is no doubt they have to pay increased wages and taxes. But what about the general consumer? For years I have read the arguments and briefs presented by the soft drinks and confectionery products industries. The same can be said for many others. This is a selective cut. I hope the Canadian manufacturers and distributors of these commodities will pass on the tax relief to the consumer. We will see.

The special 10 per cent tax on toilet articles and cosmetics is being removed. This is highly selective and, I think, arbitrary. I do not know how much of this type of product is manufactured in Canada, but a good case can be made for costume and other jewelry manufactured here. The special 10 per cent impost on Canadian-manufactured and other jewelry increases the eventual retail price at which the Canadian manufacturer and distributor of Canadian produced goods has to compete with imported goods. They have a hard enough time as it is.

The 10 per cent special excise taxes which remain are an anachronism. The minister could have dispensed with them all along the line. Increases in revenues from other sources would soon make up for the elimination of this tax. The 10 per cent excise tax is the remnant of a World War II tax. It was supposed to be a temporary tax. The only thing that seems to outlast temporary taxes are the temporary buildings in Ottawa: they have much greater longevity and much greater endurance. If we get rid of this tax, maybe then we can get rid of the temporary buildings.

What is the value of the \$50 limitation on clocks and watches? I hope the minister can explain this in his reply or when we deal with it in committee of the whole. Only the large manufacturers who mass-produce will benefit from this provision. The minister need only go to the