

Excise Tax Act

still here, almost at the end of July, debating this bill, and who knows how much longer we may be here. A serious effort was made in parliament some years ago to structure our work. I think we even coined a word and said we were trying to "calendarize" the session so that we would be out of here in the months of July and August.

When we dealt with this matter in the fall of 1968 we faced the fact that what had spoiled most summers was the problem of getting estimates passed. The fact that there was no time limit on them meant that members of the opposition could keep the government here all summer. We solved that problem, and I think it is fair for me to say that the opposition gave up something in doing it. We agreed to an arrangement under which the main estimates for the year are passed during the fourth week in June, and the purpose of that, among other things, was so that parliament would not drag on into the summer months.

This is the seventh summer since that change in our rules was made. In one of those summers, in 1974, there was an election, so we were not here and we could not be kept here that July. But with respect to the other six summers since we passed that rule, three of them have been messed up, not because the opposition kept the House here on estimates but because the government brought in contentious matters at the last moment.

I submit that when talk occurs—and much of it comes from the government side of the House—about the "silly season" and about the fact that we should not be here, this is what should be studied, namely, the unfairness of the government, after everybody had assumed that we would recess at the end of June, bringing down on June 23 a budget with contentious issues, so that we are left with no option but to stay here and oppose some of these measures.

The other summers that were messed up were spoiled in the same way by the government making a decision late in June concerning matters which it felt we must debate; and debate them we did through July in three summers. I am not counting occasions when we had to come back because of work stoppages. I am talking about the scheduling of government business, and if there is any blame for our being here throughout July, 1975, it rests squarely on the government for having brought in a budget with its contentious measures on June 23.

Some hon. Members: Hear, hear!

● (1720)

Mr. Knowles (Winnipeg North Centre): One of these measures of course is Bill C-66 which we are now debating. It does several things, but the main and most offensive feature is the proposal to introduce a ten cents a gallon tax on gasoline at the manufacturers' or importers' level. As has been pointed out, by the time the gasoline gets to the cars of the automobile users, that addition may be not just ten cents but rather 12 cents or 13 cents, and in some cases perhaps more. At the risk of saying what has been said a good many times—there are occasions when a point must be repeated—I want to emphasize how unfair a tax such as this is.

Studies in taxation across the years have established the fact that the best kind of tax is the tax that is applied

[Mr. Knowles (Winnipeg North Centre).]

according to ability to pay. Therefore the best taxes are personal income tax with high exemption levels, and high percentage rates up into the upper levels, along with corporation taxes. However, when one imposes any kind of a commodity tax this has the effect of putting that tax on people without regard to their ability to pay, their need, or any other individual factors.

Generally speaking citizens do not like to pay taxes. It is par for the course for them to complain. But those same citizens know that civilization must be paid for and that taxes are part of that price. What really bothers people, however, is when one person feels he is having to pay a tax that somebody else does not have to pay. When we have these feelings of discrimination we find we really are in a mess. I suggest, as other speakers have, that that is particularly true of this tax of ten cents per gallon on gasoline. Some doctors will have to pay it and others will not. The exemption is not because one is a doctor. What counts is whether one is a self-employed doctor or a doctor on salary. Some lawyers will have to pay it and some will not, again depending not on the nature of the work and not on the amount of income but on the question of whether the lawyer is self-employed or is on a salary paid to him by someone else.

We might take the farm situation again. Generally farmers will get an exemption, but what about the farm workers? There are a growing number of farm workers in this country today, individuals who live in cities and who have to drive in order to get to their work out on the farms. These are not self-employed persons. They are on wages. They will not qualify for the exemption. So there will be people working side by side on a farm, some of whom will be receiving an exemption and some who will not.

Then there is the whole question of the unfairness to people generally because a law cannot be devised that will take into account what is a necessity and what is a luxury in terms of automobile travel. For the most part workers—and perhaps they are the largest number—who have to use automobiles to get to work will not have any exemption. So, if we look across the board the fact of the matter is that there will be discrimination. There will be Canadians complaining about each other. There will be individuals who say they do not receive the exemption while others do.

Then, as was pointed out with great effect last evening by my colleague, the hon. member for Regina-Lake Centre (Mr. Benjamin), there is the question of the paraplegics and others who have to use their cars. A member to my right also brought up the fact that these people require special licences because of the type of cars they drive. However, their special condition does not entitle them to an exemption. Some of these people who may be self-employed doctors or self-employed lawyers will be entitled to the exemption but those who are working for wages will not.

So I say that throughout the whole gamut of this arrangement we have unfairness and inequality that will have Canadians complaining about each other by saying that they do not get it while the other fellow does. That is built into this whole system.

The Minister of National Revenue (Mr. Basford) tried to give us an account yesterday of how the refunds would be