

Excise Tax Act

the sales tax was scandalous. That is the word he is quoted as having used. At Windsor, appealing of course to a particularly interested audience, he said on May 9 as reported in the *Windsor Star*:

The present 10 per cent excise or luxury tax on new cars is discriminatory to automobile producing centres. Its continuance brings unjustified unemployment.

In past years we heard the present Minister of Labour (M. Starr) say many times that this tax should be abolished. I am rather disappointed that his influence in the government has not been sufficient to bring that about immediately. I am not going to try to prolong the debate, but somebody may say, "Why did you not do it?" It must be remembered that at one time, by reason of the necessity of raising revenue for war purposes and to reduce production activity with regard to certain types of automobiles to some extent, the tax was as high as 35 per cent. It was reduced in several successive stages by the previous government, but at no time while we were in office was the industry in its present state of depression. I can confirm those statements by referring to page 18 of the Bank of Canada report for 1957, tabled in the house by the Minister of Finance. The governor of the bank, with respect to automobile production in 1957, had this to say:

In Canada, although 1955 was a record year, 1956 was still better and no significant decline in automobile sales occurred until well into 1957.

It is clear that my hon. friends were in charge of the administration of this country well into 1957—

Mr. Fleming (Eglinton): No, that change—

Mr. Benidickson: —and therefore knew conditions.

Mr. Fleming (Eglinton): If my hon. friend consulted the statistics he would be aware of the fact that the decline started in March, 1957.

Mr. Benidickson: Not in automobile production.

Mr. Fleming (Eglinton): In automobile production; it was at the end of March, 1957. We were all over this in the last session, and it was the end of March 1957 when the production figures on automobile production in Canada began to fall below those of 1956.

Mr. Benidickson: In any event, it was long after the February, 1957 budget. I am quoting from one of the most authoritative sources from which one can quote, a report which was submitted to this house by the minister himself from the governor of the

[Mr. Benidickson.]

Bank of Canada. The governor of the bank states that automobile sales had not declined until well into 1957.

Mr. Fleming (Eglinton): Yes, March.

Mr. Benidickson: That is not well into 1957, as my hon. friend well knows.

Mr. Fleming (Eglinton): That is the fact. May I ask my hon. friend if he is not aware of the fact that it was at the end of March, 1957, that the turn came in the production of automobiles.

Mr. Chevrier: Why don't you make your speech later?

Mr. Benidickson: My hon. friend yesterday, and again today, is simply interjecting to deny certain statements made by others who have every right in this house to put forward their view.

Mr. Fleming (Eglinton): Don't you want the facts?

Mr. Benidickson: I want you to give the facts to me in a speech. I want you to counteract, if you can,—

Mr. Speaker: Order.

Mr. Benidickson: This interruption was not addressed to you, of course, Mr. Speaker. I suggest the minister can very well put on the record anything he suggests counteracts this authoritative statement I am presenting.

I say we have every reason to believe, particularly after that decline occurred in the production of this industry, that this administration, having regard to what its prominent spokesman said in years gone by, would have extended some relief. The Minister of Finance (Mr. Fleming) was one of those who consistently over the years said that even if one were to regard solely the matter of revenues to the crown, it was his opinion that a reduction in this excise tax would stimulate sales to the extent that the crown would lose nothing in revenue; that the crown would more than get back from this 10 per cent sales tax what it might lose on the extra 10 per cent excise tax by reason of the extra production that would result from this stimulus.

Mr. Fleming (Eglinton): So we reduced it.

Mr. Benidickson: I suggest to him no better climate has ever been presented to a government for an opportunity to show to the people that they meant what they said at that time.

Mr. Speaker: If the house is ready for the question, I will hear the Postmaster General (Mr. Hamilton) before putting the question.