

Excise Tax Act

excise tax when he was in the opposition. I trust, Mr. Speaker, that you will allow me to refer to what the minister said on June 2, 1955, the occasion being the introduction of amendments to the Excise Tax Act which among other things provided for a reduction in the excise tax on automobiles from 15 to 10 per cent.

Mr. Martin (Essex East): What year was this?

Mr. Badanai: June 2, 1955.

Mr. Martin (Essex East): The excise tax, the very same type of bill that is now before the house.

Mr. Badanai: As found on page 4373 of *Hansard* the minister made the following statement at that time when he was in the opposition:

There are several aspects of the resolution and of the excise and sales taxes broadly that I should like to comment upon briefly this evening. I suppose the leading feature of the proposal now under discussion is the proposed reduction in the excise tax on passenger automobiles from 15 to 10 per cent and the repeal of the excise tax on tires and tubes for automotive vehicles. The reduction in the excise tax on automobiles from 15 to 10 per cent is indeed welcome, but I should like to submit to the minister and to the committee that this tax is still too heavy.

This tax was applied in the first instance and presumably continued today as a luxury tax; it was introduced under that guise.

Mr. Fleming (Eglinton): Mr. Speaker, the hon. member is not even discussing the sales tax which is the only tax dealt with by this bill. He is discussing another tax entirely.

Mr. Speaker: I think that what the hon. member is reading is not related to the bill before the house. It deals with an amendment which was in that particular bill but not in this bill.

Mr. Badanai: Thank you, Mr. Speaker. I thought I might be permitted to proceed with the quotation which to my mind is very pertinent to excise tax changes, and in my opinion this was one of the changes which would come under the act. Just because it is not listed in the measure I am not allowed to proceed with that particular feature. If I may be permitted to do so, however, I should like to refer to another omission. Perhaps the Speaker will not allow me to continue with this, but the omission I refer to is the fact that the tax on the soft drink industry has not been reduced. There is a sales tax levied—

Mr. Fleming (Eglinton): Mr. Speaker, the hon. member is talking about the sales tax as applied to something that does not fall within the scope of this bill in any manner whatsoever. What he is seeking to do is to revive the budget debate. We are away past the budget debate now.

Mr. Speaker: If the hon. member is dealing with the restrictiveness of the bill I would not prevent him from making general references to other items to illustrate his point but to pursue any particular item with respect to which there is no amendment would appear to be going beyond the scope of proper debate.

Mr. Benidickson: May I speak to the point of order? Since the change of government I think there have been some new rules introduced with respect to the enforcement of relevancy in the debate on budget resolutions and on second readings of bills. I want to indicate that leniency on these occasions is historic. May I point out that on June 2, 1955, when we were at the resolution stage of discussion of legislation identical with that now under debate on second reading, the present Minister of Finance said, as found at page 4373 of *Hansard*:

There are several aspects of the resolution and of the excise and sales taxes broadly that I should like to comment upon briefly this evening.

He went ahead and did so and no member of the government of that day objected, nor did the chairman.

Mr. Fleming (Eglinton): Evidently the remarks were quite in order.

Mr. Benidickson: Was there anything in any of those resolutions relating to reductions in sales taxes on clothing, boots and shoes, household furniture, and drugs and so on? Is there anything in the bill before us relating to these things? Is there anything there saying that the tax should not be imposed at the manufacturer's level because, in consequence of the the retailer's profit margin, it is increased to 20 per cent? Was there anything at that time to suggest that purchases by municipalities and school boards should be exempt from taxation?

I go to 1956 to show that the same speaker at that time was extended a leniency for which I appeal today. I refer to page 7145 of *Hansard* for August 7, 1956, at which time he said that he had comments he wished to make with respect to the sales tax in general. He said that he wanted to refer to the Canadian tax foundation recommendations and to refer the house to the study and report made by the Carter committee. He took a column of *Hansard* for that purpose. He went on to discuss the decision of the supreme court with respect to retailers' own brands. This, Mr. Speaker, was all at the resolution stage. I suggest that while there has not been closure a new rule has been adopted since the present government came into power in so far as discussion at the resolution stage is concerned.