

The Address—Mr. Boivin

The first sets out the comparative figures, month by month, covering income from the 25 per cent excise tax and the one cent a bottle tax for the year 1947. In the first column you will find the percentage of rationing imposed upon the manufacturers during 1947, that is, from January to October, 1947. The second sets out the income for 1947, and the third, income for 1948. The fourth column shows the increase or decrease in terms of dollars, and the fifth gives the percentage of that increase or decrease over two years.

The second table is even more instructive since I have added a column to show what the 1947 income would have been had the manufacturers not had to suffer from rationing. By the same token I show a decrease for 1948.

Since sugar rationing has been removed, the large companies which represent 11 per cent of the soft drink trade have begun an intensive publicity drive which has resulted in an increased volume of their sales while reducing the output of smaller concerns, which represent 89 per cent of the trade. Small concerns have had a lot to suffer during the war because of rationing of their raw materials. A few of them had to use substitutes in order to survive. This led to an inferior product which caused them to lose sales and forced them to cease operating. We know a number of them, even around Ottawa.

Looking further into this matter we find that 67-61 per cent of the manufacturers had a turnover of less than \$25,000. This represents a production of about 69 cases per day, which are sold to the retailer at \$1.20 per case, tax included. When we consider that these taxes are 8 per cent and 25 per cent, i.e. 21.1 cents per case and that a surtax of one cent gives an added revenue of 24 cents, totaling 45.1 cents per case which the manufacturers pay the government, I admit, Mr. Speaker, that one would have to seek for a long time before finding manufacturers in other categories who have to pay three taxes representing one-third of the wholesale price. Many of my colleagues are inclined to believe that this industry is making large profits. The figures prove the opposite. Wholesale price, \$1.20 per case, less the tax amounting to 45.1 cents; cost price, 74.9 cents. Wholesale price before the war, 80 cents per case less discount, 5.12 cents; cost price, 74.88 cents. This industry since the beginning of the war has been making a profit of 0.1 per cent to meet the rising costs of materials and the rise in wages. Today it is requested to relieve them of the taxes which were imposed on them so that soft drinks may sell at the former retail

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price of five cents per bottle. As the hon. minister is sure that this will be done, I believe that such a request is justifiable and will be appreciated by both the consumers and the manufacturers we represent.

I shall now deal with another tax which has been the object of much criticism. I refer to the luxury tax imposed on the jewelers in our respective constituencies. Let us consider this tax from these two angles. First, let us take the customer's point of view and in this I wish to quote the words used by the hon. Minister of Finance in his last budget speech and which may be found in the debates of May 18, 1948. I quote:

Again having in mind the needs of the average household, I am proposing that the 25 per cent retail purchase tax be lifted tomorrow from silver-plated knives, forks and spoons and from alarm clocks of a retail value of \$10 or less. This change will remove from the scope of the retail sales tax items of common use in the home.

Mr. Speaker, even if the minister pretends to have discriminated in favour of the middle class, I say he did not and I might add that the middle class, in 90 per cent of all cases, uses none but ordinary utensils; had the government thought of it sooner, they would have abolished the tax on watches, fountain pens, automatic pencils and even on rings, which in my estimation are not luxuries but essential articles.

With further reference to merchants or jewelers, everyone will admit with me that the latter have, since June 24, 1942, acted as unpaid employees of the government in collecting that tax. They have done that task during the war, considering that it was their duty to do so, even though that was harmful to their business, but now that war is over I believe that the government should no longer claim that tax and that they should stop interfering with the middle class. That tax was established with a view to limiting wartime purchases and permitting the general public to purchase war savings certificates and victory bonds. In view of the surplus the government had last year and has again this year, and inasmuch as that tax has yielded \$8,165,293 for 1946-47 and \$8,413,875 for 1947-48, it must be admitted that it was imposed for the restriction of purchases rather than for revenue purposes.

Mr. Speaker, I would like, in conclusion, to thank the Postmaster General (Mr. Bertrand) and the Minister of Public Works (Mr. Fournier) who have finally taken into consideration a request I have submitted