

The mass of the Canadian people would like the exemption on salaries of single men raised to \$1,500 and married men raised to \$3,000. Why not accept this proposition? How many people earning \$1,500 and \$3,000 respectively do pay income tax honestly? I repeat, the workman because his tax is deducted from his weekly pay by his employer. How many other citizens are there who are earning similar amounts or more from whom the government collects nothing. Hon. members will admit the exactness of this declaration because their own experience tells them it is so. Is such a method of taxation fair and equitable? I leave the answer to them. If it is not, as every hon. member will admit, why not change it?

In most of the communities of this country we hear the same language, namely, that the cost of living has increased and is increasing; that labour is asking for increased wages, et cetera. This situation should not exist with the strict controls of the wartime prices and trade board. The increase in the cost of living is caused directly by the black market. Why not curb it? What is the use of having price control by the wartime prices and trade board if it does not achieve its purpose?

I understand that the wartime prices and trade board cannot control the situation alone. It needs support. Here is what I suggest to help them. Let us impose an additional sales tax of ten per cent on the retail price of goods. Such tax would be paid by the manufacturer and recharged to the retailer and the consumer. The manufacturer would buy stamps and stick, sew, or stamp them on the manufactured article itself. This stamp of ten per cent would be a sure indication of the value of the article bought by the consumer. Let me illustrate my thought by an example.

Suppose I am a shoe manufacturer. I know by experience that a pair of shoes which I sell to the merchant at \$2.25 plus eight per cent sales tax, retails at \$5, so that I will insert in the shoes a 50-cent stamp. I will charge this stamp to my customer in addition to the price of the shoes, namely \$2.43 plus a 50-cent stamp. When those shoes are bought by the consumer he will have the assurance, in looking at the 50-cent stamp, that the ceiling price of the shoes is \$5. No salesman, merchant, or peddler can overcharge or cheat him. Every consumer will act as a policeman. Recently I was in Washington with some friends of mine. A lady in the group wanted to buy a pair of shoes. She returned to the hotel with a pair of shoes for which she had paid \$23. She was elated with her purchase because similar shoes in the shoe case were

priced at \$34. I examined the shoes and realized that they were similar to those manufactured in Canada to sell at around \$2.50 by the Canadian manufacturer to the Canadian merchants. If these shoes had borne a 50-cent stamp the lady would have realized that they were \$5 shoes and would not have allowed herself to be robbed of the difference, \$18. What applies to shoes applies also to shirts, hats and other commodities of life.

Do you not think, Mr. Speaker, that the consumer would be satisfied and pleased to pay ten per cent more for the necessities of life and have the assurance that he is protected? It would cost the government nothing to collect this tax, with the exception of the cost of the stamps. On the other hand, look at the thousands of employees whom the government will have to hire to enforce the law as it is drafted and you will realize the saving the government will make. Do you not think we have enough bureaucrats in Ottawa? Many people talk of economy. I approve. But I am not satisfied with words only. I would like to get some action.

In accepting the increase of exemption of income tax on salaries to \$1,500 for single men and \$3,000 for married men, the government would, I will admit, lose many million dollars of revenue, but look at the revenue they would get from this ten per cent sales tax. The actual sales tax of eight per cent based on manufacturers' prices gave \$404 million revenue to the government last year. A tax of ten per cent on the retail price of goods would yield at least one billion dollars and probably much more. This amount would certainly compensate for the loss the government would suffer in raising the exemption of single men to \$1,500 and married men to \$3,000. In accepting this suggestion the government would satisfy the Canadian people with fair and equitable treatment and would protect them from the black market which is spreading rapidly across our country.

This legislation should be enforced by drastic measures. In other words, if a merchant is caught selling goods at prices higher than ten times the amount of the stamps or selling goods without stamps, let him go to gaol. It would be better to put a few men in gaol for a month or two and protect our people from these exploiters. We may rest assured that not many people will risk being gaoled. If some are caught, they will take great care not to repeat the offence. Some will no doubt mention that this tax of ten per cent will be detrimental to large families. I am of the opinion that the family allowance and exemption granted in the present income tax for