

the house to provide that the ultimate consumer shall pay only the tax on the first or manufacturer's price. In other words, we urge the house to forbid any other person to add to it or to make any profit on the sales tax paid at the manufacturer's level.

Of course there can be little criticism in these times of taxes on luxury goods, but a tax of 25 per cent on some types of electrical appliances, and even in many instances on lower priced automobiles, is excessive. While some automobiles are luxuries, because of the way in which our cities have spread out and the manner in which hundreds of salary and wage earners, business and professional people, have to get to their work every day by automobile, an automobile is a necessity to them. Be that as it may, a most objectionable feature of the tax proposals included in the budget is the new levy of 15 per cent on mechanically operated domestic refrigerators, washing machines, and all domestic cooking stoves except those designed for the burning of coal and wood only.

**Mr. Low:** Scandalous.

**Mr. Coldwell:** As the hon. member for Peace River (Mr. Low) says, that is a scandalous proposal. It means that all kinds of electric, gas and oil stoves will be subject to the tax. Today oil, gas and electric cooking stoves are of universal benefit as labour-saving devices when domestic help in both rural and urban areas is almost impossible to obtain. Modern suites, whether in large cities or in small towns, and many new homes are not properly equipped with chimneys for the emission of smoke from coal or wood burning stoves. I wonder what percentage of the houses that have been built in this city over the last number of years have chimneys so situated that the pipes of a coal or wood stove could be connected to them. I know a number of homes where it is absolutely impossible unless a new chimney is built from the kitchen to emit the smoke.

When we consider the higher down payments required on newly constructed homes, increased mortgage interest rates, the excessively high cost of furniture, the added burden of a 25 per cent increase in the sales tax on some articles of household use, and now this new tax on certain types of stoves, washing machines and refrigerators, those establishing new homes are given a very severe knock indeed by the minister's budget. In my opinion the minister certainly might have found other luxuries that could have stood further taxation before imposing these onerous taxes on such modern necessities as those mentioned in the budget. I think

everyone expected increased taxes on alcoholic beverages, and, in spite of the minister's explanation as to why he did not meet this expectation, I am of the opinion that the money to be raised through taxes on modern household equipment should have been obtained by increased levies on users of alcoholic beverages, and indeed a wide range of other luxuries.

Let me say that it is not only the government's tax which increases prices but also the advantage taken by some business interests to increase their prices and profits on the basis of taxes, which in turn increases the burden placed upon society. The hon. member for Greenwood (Mr. Macdonnell) gave an example a few minutes ago, the increase of 3 cents in tax on 20 cigarettes which immediately became 4 cents to the actual consumer. Mind you, I am not objecting to high taxes on cigarettes and tobacco. After all, they are not necessities of life although many consider that they contribute to a pleasant way of living, if I may put it that way. On behalf of the C.C.F. party I wish to protest strongly against the new tax on cooking stoves other than those designed to use coal and wood exclusively, as well as on washing machines and refrigerators, and of course the 25 per cent increase in the general sales tax. It follows therefore that the amendment moved by the hon. member for Greenwood is in line with our thinking.

There is one further word I should like to say in connection with all these objectionable taxes. They hit hardest those who can least bear the blow. It seems to us that as an alternative certain types of household goods and articles of clothing manufactured according to standard utility specifications should be classified as utility goods and be exempt from both sales and excise taxes. Under the circumstances I think that is a constructive suggestion that the minister might well consider. With an increase of 25 per cent in the sales tax and a new excise tax on certain types of stove, as well as the other increased excise taxes, I should think the proposed amendment to the constitution to allow the provinces to collect a provincial sales or turnover tax will be nullified by the budget. I cannot see how the provinces can impose a further sales or turnover tax. Unfortunately the provinces have few alternative methods of taxation. The dominion government has very largely occupied the field of direct taxation and, as we see by the budget, is occupying it to an ever-increasing extent. Therefore what is happening is that the provinces have restricted fields of taxation. I think that means that federal grants to the provinces for specific purposes such as education and