

*The Address—Mr. Dupuis*

to raise the health standards of the nation. No, gentlemen, an electric refrigerator at a reasonable price is not a luxury; it has become a necessity.

And what about a radio? Who could do without one today?

Of course, it is not necessary that we should have the most expensive models.

I could readily understand a luxury tax on appliances or machines which would truly be luxury items selling at a very high price. But I cannot see that it is proper to tax all these appliances at the same rate, regardless of cost.

I speak, I am sure, for those I represent when I ask the government to reconsider its decision and to secure elsewhere the revenue it requires.

As I suggested in a previous speech in the house, could we not, for instance, tax profits derived from the sale of businesses, properties or from financial operations on the stock market or elsewhere?

Wage-earners' incomes are taxed at the source, via salary deductions, while hundreds, indeed thousands, of people do not pay anything on enormous profits made in financial operations and which, for all intents and purposes, are truly income acquired during the year.

I also humbly submit that the tax on cigarettes and tobacco should be greatly reduced.

All members of the house know that, more than ever before, tobacco is being smuggled into this country.

This is largely due to the excessively high price of cigarettes, because of the heavy taxation on that commodity.

There was a time when a man could save by rolling his own, but nowadays, if you take into account the tax on processed tobacco, the so-called home-made cigarette becomes a near luxury, compared to what it cost before the tax increase.

And what about pipe tobacco, cut or leaf? Undoubtedly this was the cheapest method open to the smoker who wished to indulge his taste. Nevertheless a way was found to increase its price to what I consider to be an exaggerated extent.

Smuggling, which has resulted from such overcharging, has created ruinous competition for local producers, so much so that

they are about to lay off hundreds of employees.

Let there be no mistake about it. There has been no drop in the amount of tobacco consumed, but thousands of people have taken means to buy cigarettes at a price which is just half the price paid in Canada.

It is my hope that in view of the requests coming in from all sides and to prevent our fellow countrymen from turning more and more into lawbreakers, the government will reconsider their position and that not only will they remove the tax increase levied in the last budget but that they will even reduce the rate levied previously.

My remarks are not inspired by the desire to oppose the government nor even to embarrass them. My sole purpose is to draw the attention of our leaders to a deplorable state of affairs, which should be corrected at once.

However, the necessary steps should be taken to prevent manufacturers from benefiting from this action on the part of the government, by increasing the price of their products.

I remember, and I have already said so here, that the manufacturers of soft drinks asked for repeal of the tax on their products, and that this request was granted.

Their main argument was that the five cent price was the popular price and that the extra cent to be paid by the consumer was, in short, but a nuisance tax, as they called this impost.

A little later, the tax was removed, the price of soft drinks was raised to six cents and, a short time afterwards, to seven cents.

Perhaps manufacturing costs, wage increases or higher sales commissions are the cause of such an increase but nothing has proven that such price increase has not entirely benefited soft drink manufacturers.

It was the same with chocolate bars. The tax on this confection was also abolished and immediately after the price was brought up to seven cents, although by this time bars were smaller.

Even if such increase is justifiable for the reasons just given, the fact remains that we might fear that the cigarette manufacturers would raise their prices also, solely to their own benefit.

I therefore suggest that a parliamentary committee be set up to authorize, if need be, the increase of the sales price in general.