

*The Address—Mr. Anderson*

which brings the price, other than taxes, to 17 cents in Ontario. This 17 cents is almost as high as the price at which United States cigarettes sell. Our own tax here is higher than the United States price per package. The two added together amount to twice the United States price.

This brings up the question of smuggling. I am afraid it is on the increase, despite all the good work carried out by the Royal Canadian Mounted Police, who have so few men to cover the whole boundary line and check the smugglers from the United States who see an opportunity to make money by carrying to our side of the boundary millions and millions of United States cigarettes. Hundreds of thousands of these smuggled cigarettes are seized each year, as well as many cars and trucks, and sometimes teams of horses used in smuggling. We started out many years ago importing our entire needs, and grew from that to be an exporting nation. Great Britain takes large amounts each year. Now again we are importing tobacco in the form of United States cigarettes, illegally I admit, but just the same the fact remains that we are now again importing, and this should not be so.

I maintain, Mr. Speaker, that our own market should be kept as nearly as possible for our own growers and manufacturers, and our manufacturers should watch their own prices as well as the government tax. If you will permit me I should like to read an editorial from my own paper, the *Simcoe Reformer*, under date of November 26, which reads as follows:

It is evident that tobacco growers are not the only ones to suffer by reason of slumping cigarettes sales, the result of excessive excise taxes. Press reports during the past week have announced that a sizeable group of employees were laid off by the Tuckett Tobacco Company in Hamilton, while in Montreal more than 200 employees of the Imperial Tobacco Company are joining the ranks of the unemployed and a similar lay-off in the company's Hamilton plant is anticipated. This serious situation is a direct consequence of exorbitant government taxation on Canadian-made cigarettes coupled with the wholesale smuggling of United States cigarettes into Canada. Withdrawals of cigarettes for consumption in Canada during September were down nearly 50 per cent, indicating the severe nature of the body-blow to the tobacco industry. Growers, manufacturers, employees, retail dealers and consumers are all being seriously affected by the excise tax of 62½ per cent levied by the federal government.

I do not know where this paper got that information, but they thought it was right.

One of the chief reasons our tax structure is so out of line with the United States is that when our own budget was brought down last April there was a bill before the United States congress proposing a sharp increase in cigarette taxation. This bill did not pass, at least

in the original form. This brings up the question of our own taxation, and I would like to refer the house to *Hansard* of Friday, November 23, 1951 at page 1279, from which I quote. The leader of the opposition (Mr. Drew) asked the following question:

I should like to direct a question to the Prime Minister. I recognize that he cannot go into too much explanation, since I have not given him notice of it. In view of the rumours started by certain circulars affecting the tobacco industry of this country, is there any intention of introducing what might be called an interim or "baby" budget during this session?

The Prime Minister replied:

No, there is no such intention.

This may or may not indicate that no taxation change will be made this session; but no doubt, as is common with government policy, this matter will be under consideration and watched carefully before the next budget is brought down.

I have another matter on which I should like to speak for a little while. It is the problem of the dairy farmer. A few days ago in this house the matter of bank hours was under consideration and farmers did not take it kindly. I would like to point out here that dairy cows are milked twice daily. This brings milking time twelve hours apart, and a five-day week or an eight-hour day would not go well with the dairy farmer or his cow. Fluid milk is now becoming very high in price, and I am afraid that consumers will buy less and deprive children of the most complete food on the market today. I would point out, Mr. Speaker, that the farmer does not get over half the money that milk retailers at, and he must own, feed and otherwise care for his cows, pay trucking to the city, pay veterinary bills, have part of the milk designated surplus and often have milk returned.

It is interesting to learn from responsible sources that in the period from 1945 to 1951 our population increased by 2 million, and in the same period our dairy cow population decreased by 456,300 head. Our total production is down by 1,200 million pounds, and our per capita consumption has dropped by 292 pounds. Our butter production decreased by 40 million pounds in the same period, and our cheese by 97 million pounds. Our population is increasing; our milk supply is decreasing. Is Canada to become a country that will have to import all its butter, and use its milk for home consumption? What are we doing about it? Not enough, I am afraid.

I hold in my hand a pamphlet from which I should like to read a few extracts. In 1949 we produced 74 million pounds of margarine in Canada. In the year 1951 we produced 105 million pounds. That production was up 31 million pounds. Butter, cheese and cows are down, but margarine is up.