

Excise Tax

so necessary for a good diet. I see the minister smiles, and probably he is thinking that I am preaching a counsel of perfection to the government over there; but one of these days I think the government will move in this direction because they will have to. At the moment, members of the Liberal government are at a meeting in Vancouver figuring out, not only how the west was won years ago but how the west is going to be won again.

Mr. Knowles (Winnipeg North Centre): Never.

Mrs. MacInnis (Vancouver Kingsway): If they could figure along the lines of holding the cost of living at a level where people can afford to live properly, then I think they might find it could be won again. But the west will not be won merely by removing federal sales tax. This is a step, but a small one.

I cannot resist this opportunity to say that we wish, even if the Minister of Consumer and Corporate Affairs is not interested in our food committee recommendations for putting food on the tables of those who need proper nutritious food, that in conjunction with the efforts of the provinces the minister would take that up as a crusade. It would be a step forward if we could have the lower income families of this country properly nourished. Then we would not need to spend the taxpayers' money on all those institutions that are made necessary because of bad nourishment. I am speaking of medical hospitals, mental hospitals and homes for retarded children, to say nothing of institutions coming under the authority of the Solicitor General (Mr. Allmand), to which people must be sent because we were not far-seeing enough to introduce measures that would make it possible for people to keep well in body and in mind.

• (1420)

I want to touch on the clause having to do with sales tax on goods manufactured or produced in Canada. I am pleased to see what has been done with regard to sales tax on goods produced by the labour of individuals who are handicapped in various ways, that is, who are mentally retarded or in any way physically or mentally handicapped. I think that section is very good indeed.

Those of us who have been around our riding know that there are various sheltered workshops, training places, hospitals and other institutions where people suffering under various physical and mental handicaps work. We know those people produce very fine pieces of handicraft. This provision will help considerably in the sale of those products. Not only will it help in the selling of the products; it will also help in the publicizing and educational work that is carried on as a result of the sale of these products. That will help to get others more involved in the lives of these people, many of whom have suffered very severe calamities, physical or mental. I congratulate the minister for having introduced that provision. I think it will really help. Many make their living in this way. Such work helps to boost the morale of people who must remain in institutions.

These sections, of course, are good, but do not go far enough because they apply a band-aid to a really bad wound that needs much more antiseptic and cleansing treatment than the minister has been prepared to provide

so far. For instance, I do not think there should be a sales tax on a whole lot of the necessities of life. I do not see why we must stop at children's footwear and clothing. Adults need footwear and clothing too—except those who frequent nudist camps in ridings where there have been certain difficulties in this regard. We need this relief, all of us, not only children, not only the handicapped. So I hope that the minister, having taken the first good, but timid and hesitant steps along these lines will continue moving in the direction in which he has begun to move. Finally, let me make clear that it is my party's intention to support this legislation.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I wish to say a few words about this bill. I shall divide my comments into two parts, the first having to do with sales tax and the second with a specific area of concern at which I hope the minister will look in future.

When prices are rising rapidly and when the supply of goods is reasonably abundant, it is generally conceded that a reduction in sales tax is good because it will help everybody across the board, but especially those on lower incomes. Many tables show that those on lower incomes spend, proportionately, a great deal of their incomes in taxes. It is generally conceded that sales tax is the item that takes most of their money in taxes because their income tax payments are not too high.

In the budget address the minister, according to the report on page 1438 of *Hansard*, said that although sales taxes are to be reduced by \$190 million, revenues for 1973-74 will still be \$200 million more, according to the forecast, than they were in 1972-73. This indicates that there was room for further cuts in this area. Some thought, in view of our high rate of inflation, that the cut would be in the order of \$500 million, and some even guessed it might be as high as \$1 billion. In any event, I suggest it would have been timely if the minister had cut sales tax, particularly on personal items.

I believe that the sales tax on many items of personal use could have been eliminated. I regret that the minister did not make such cuts, as government revenues are high, almost too high for comfort, indicating that we may be overtaxed. Of course, the year is not yet over and previous forecasts may need to be revised. I think that cutting sales taxes at a time of rising prices would have been of value in combating inflation.

The other area of concern about which I have received representations is that to do with fur farming. Within the last three years many fur farmers have gone out of business because fur prices have been falling. They have complained that furs are classified as luxuries. Probably they were luxuries in days gone by. Now, when the uninitiated go into a store it is hard for them to tell the difference between imitation fur and the real thing. I believe the government should examine this complaint and this aspect of taxation and place garments made of fur on the same basis as garments made of other fibres, synthetic or otherwise, in order to make furs competitive with other materials.

It is said that, with more expensive clothing, style is the great factor in determining price. I submit that it is not reasonable to assume any more that a fur garment is, of