

Government Orders

federal taxes on cigarettes by \$5. It said that for every dollar the provinces reduced the tax to a maximum of \$5 it would match it, for a total \$15 reduction. The province of Quebec where the smuggling was by far the worst went further and reduced the provincial sales tax even more.

In addition the government applied an \$8 excise tax where cigarettes were being exported to places where no tax was being applied. This was to recognize that cigarettes exported to a foreign country and ending up on native reserves had no taxes. It was to make sure that the value of the cigarettes as we exported them would be higher and therefore reduce the differential and the smuggling back into this country.

In addition they applied a 40 per cent surtax on the profits of the Canadian manufacturers of cigarettes. It was a reasonable penalty, recognizing the fact these Canadian manufacturers had been willing co-conspirators in the smuggling problem, to say to them that they could not make profits in this country if they participated in this type of illegal activity. Therefore the government applied the 40 per cent surtax and said that it needed the money for education. It was to spend the money to teach young Canadians that there is a penalty for smoking; not only a financial penalty but a very serious health penalty as well.

My hon. colleague from Macleod, who is a medical doctor as we all know, gave vivid and graphic descriptions which really were not nice. It was nice to get the descriptions but the graphics of people who smoked were not very nice. We will leave it for the record to indicate exactly what he said. He described them far better than I could.

• (1705)

The health penalty for youngsters who start smoking is very serious. That ends up spilling over into health costs later on if these people contract various lung problems, emphysema and even cancer. That cost to us as a nation adds to the penalty we have as people continue to smoke. The government also introduced the measure to raise the age of purchasing cigarettes from 16 years to 18 years.

There were four basic measures. It dropped the excise tax. It added an export tax. It added an income surtax to the manufacturers and increased the age of people allowed to buy cigarettes.

Let us take a look at these four items. I can agree with the \$8 excise tax. I can agree with the surtax applied to the manufacturers because they were the willing co-conspirators. However I cannot agree with the reduction in the taxes applied to cigarettes because we know from statistics that the cheaper cigarettes are the greater the likelihood that young people will start to smoke.

For youngsters with peer pressure affordability is one of the major factors in making them decide whether they will or will not start to smoke. If we can increase the price beyond their

financial resources or so that they would rather apply the money elsewhere, we are doing them a favour by encouraging them not to smoke. Therefore I cannot endorse the reduction of the tax that was part of Bill C-32.

Not only that. The smuggling was primarily in the provinces of Quebec and Ontario. I understand it was largely in the province of Quebec. It was not out west and I represent a riding in the province of Alberta. The problem was not serious out there even though there was a large differential between the price of cigarettes in the province of Alberta and across the border in the United States. We did not have any reserves straddling the border that could claim some kind of national jurisdiction and could say that Canadian laws did not apply to them. Of course they apply to them. They apply to all Canadians. That was where I left off yesterday when I talked about Bill C-33 and Bill C-34. I wanted to get into that because the government refuses to talk about these important issues as we saw last night.

The point is that now we have dropped the price of cigarettes in eastern Canada we find that they are substantially more expensive in the west where we are still trying to discourage Canadians from smoking. Now we will have a smuggling problem east-west between provinces rather than north-south between Canada and the United States. I cannot support the idea that we drop the price of cigarettes dramatically by reducing the excise tax.

Another point I would like to speak on is that we have raised the age whereby it is now legal for youngsters to buy cigarettes from 16 years to 18 years. I started my speech by saying that a nation is not a nation if it cannot defend its borders and enforce its laws. Although the government introduced this law, I wonder if it intends to enforce it. It has paid lip service by applying the law to people under the age of 16 years buying cigarettes. Now it is changing the law to 18 years of age. Do members think it is going to go out there and enforce the law? Is it going to have the RCMP outside every grocery store and corner store? I doubt it.

The problem is that we are not only encouraging children and young folk to smoke. We are also telling them that they can thumb their noses at the law and get away with it because we do not care. We write laws that we do not intend to enforce. We have members standing in the House, Canadians elected to represent the people of the country and to write laws for the betterment of society.

• (1710)

I do not think we have shown any leadership, direction or responsibility in this matter. In conclusion I have to say I cannot endorse Bill C-32. A couple of points are okay. However, with respect to the fundamentals of trying to reduce the amount of