

Excise Tax Act

[Translation]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

Hon. Pierre H. Cadieux, for the Minister of State (Finance), moved that Bill C-14, an Act to amend the Excise Tax Act and the Excise Act, be now read the second time and referred to a legislative committee.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I think it is important to speak to Bill C-14, a Bill that arises from the February 26 Budget and, as you will recall, Mr. Speaker, from the Ways and Means motion tabled on June 11 of this year. The purpose of this Bill is to increase federal sales tax in certain areas. An increase of 1 per cent will raise sales tax on construction materials from 7 to 8 per cent, on alcohol and tobacco from 14 to 15 per cent and on other commodities from 11 to 12 per cent.

Mr. Speaker, this tax increase will help the federal Government fight the deficit, a deficit that does not seem to worry the Opposition very much. Some Hon. Members across the way even seem to think it's funny.

Mr. Boudria: I was laughing at the Conservative Government.

Mr. Vincent: Mr. Speaker, the deficit we have today was left us by the previous Liberal Government. With this Bill, we are seeking the revenue we need, to help the Government in areas where the Opposition so often says we are not doing what should be done.

Mr. Speaker, as an excellent lawyer and businessman you will agree that if we do not bring down the deficit, if we do not reduce the enormous debt left us by the Liberal regime . . . Mr. Speaker, we have reached the point where 25 per cent of the Government's annual expenditures are used to service our debt, or should I say their debt, Mr. Speaker.

● (1700)

An Hon. Member: Twenty years of Liberal mismanagement.

An Hon. Member: It does not bother them.

Mr. Vincent: They never did get around to managing anyway. As you know, Mr. Speaker, last week the Auditor General presented his report in which he referred to the spendthrift habits of the previous administration and pointed out how they wasted Canadian taxpayers' money for unduly partisan ventures, but the people were not fooled and they turfed them right out. In the beautiful riding of Trois-Rivières, Mr. Speaker, two days before the September 4 election, they signed contracts worth millions of dollars for strictly partisan projects, but the electors caught them at this game and voted for the Conservative Party, for Prime Minister Brian Mulroney and, of course, for your humble servant, Mr. Speaker.

An Hon. Member: And they have been glad about this change ever since.

Mr. Vincent: And, Mr. Speaker, everything is going fine in the riding of Trois-Rivières, as everywhere else in Quebec and in the rest of Canada.

To get back to the tax increase, I must say it is necessary. Mr. Speaker, various comments have been made about our region. I challenge the Hon. Member to come to Trois-Rivières. Any time at all, I will be glad to welcome him. Liberal Party representatives visited us twice in two years and they did not even manage to attract more than 25 people all told.

An Hon. Member:—Saint-Maurice, 20 years of patronage, no wonder they voted Liberal.

Mr. Vincent: Mr. Speaker, when his leader visited the riding of Trois-Rivières a year ago, there were more people at the oyster dinner than at his meeting. There is therefore nothing to be concerned about.

Mr. Speaker, it is important to reduce the deficit. If we cannot do so, the interest rates will increase.

An Hon. Member: No one is working.

Mr. Vincent: The Members opposite are not worried about interest rates of 22 or 23 per cent; they have seen it all before and they were happy with interest rates of 24 per cent. However, Canadian taxpayers prefer rates under 10 per cent, which is what they have now. A high deficit also means a weaker dollar. The Liberal Party was happy when the dollar was even weaker. We now have a stable dollar, Mr. Speaker, and this helps Canadian businesses to export and make profits in the United States. Unfortunately, they do not understand this, Mr. Speaker. I can see that they understand nothing of what we are trying to say.

An Hon. Member: They are not good teachers in financial matters either.

Mr. Vincent: The most important result of reducing the deficit and having money in the coffers of the state is that we can maintain valid existing programs. We can also maintain our social programs, which I find very important. The Opposition may laugh, but I find this important and we need some money to do it. To have this money, Mr. Speaker, there are areas in which we can increase taxes, and I think that Canadian taxpayers find such increases reasonable. For instance, the tax increase on tobacco will not kill anyone, quite the opposite.

An Hon. Member: On alcohol.

Mr. Vincent: The tax increase on alcohol is another reasonable measure, Mr. Speaker.

An Hon. Member: The reduction of the tax on gasoline!