

*Excise Tax Act*

exhaust air or waste water for the recovery of energy, solar panels and tubes for collecting and converting solar energy, wood burning stoves and space heaters. The items to be taxed at 7 per cent will include thermal insulation.

The Government has clearly made a policy decision to put all its eggs in the oil and gas basket and to discourage Canadians from using alternative forms of energy. Not only that, it is discouraging homeowners who want to save a little money on energy costs by insulating. A price has to be paid for that.

I should like to turn to the sales tax on candy, soft drinks and pet food. Candy manufacturers also asked for time. They were willing to accept the sales tax, but they asked for a little time because many of them had prepackaged and priced their merchandise for their peak sales periods of Hallowe'en and Christmas. They were left with Hobson's choice—either redo the packaging with new prices or absorb the extra cost of the sales tax. The Government has been deaf to their request for a six-month delay.

Turning to the tourism industry, it has very serious concerns about the increase in gasoline tax which it sees as discouraging American visitors who form a large bulk of our tourist trade. That industry foresees a very substantial reduction in the number of American tourists visiting Canada each year, accompanied by a net loss of \$135 million to the economy and perhaps over 5,000 jobs, when one takes into account the multiplier factor.

The list goes on and on. The direction is wrong for Canada. The new taxes discourage energy conservation. They impose a very severe hardship upon the construction sector of the economy. When we add the sales tax, higher fuel costs, CMHC cuts and the elimination of the Registered Home Ownership Savings Program to what the construction industry is facing, it is a heavy blow to an industry which was beginning to make a rather nice recovery from the recession.

The total amount to be taken out of the pockets of Canadian consumers in 1990 and 1991 as a result of these sales tax measures and the income tax changes may amount to \$6.7 billion. Even this year the amount will be about \$2 billion. This can only exert a damaging and dampening effect upon the purchasing power of lower and middle-income Canadians and, therefore, the economy in general.

**Mr. Patrick Boyer (Etobicoke-Lakeshore):** Mr. Speaker, most of the people I know would rather leave a burning building than rush into it. Most of the people I know would rather say hello to a friend than farewell. Most of the people I know would rather stand in Parliament and speak in favour of a tax reduction rather than tax increases. However, here I am rushing into the burning building to speak in favour of tax increases. I do so because in Bill C-80, the one under debate at this time, there are measures of great importance. I would like in the coming moments to look at three of them.

The first relates to the tax on cigarettes and what it raises in terms of general Government policy for the tobacco culture in our country and our economy. Second is the question of the

tax exemption on certain health goods and what it means for many Canadians, particularly those who are disabled. Third, I should like to touch upon the measures included in Bill C-80 which represent an important step forward in terms of Government financial planning and accountability. I was also encouraged to rise to speak on this Bill because last night I heard from the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) who had just returned to Canada from one of the eastern European communist countries. He said that no matter how bad things seemed in Canada, he was awfully glad to get back because in comparison with other countries, things are extraordinarily good here. It would be helpful for Hon. Members to place the relative amount of tax increases contained in Bill C-80 in that broader context. Members should look at them against the backdrop of the sincere effort of the Government to come to grips with the deficit that burdens the country and the future of the country.

● (1540)

Indeed, regarding the deficit, I would like to make another preliminary comment. At different times I was thinking about running for Parliament. I looked at the House in the 1960s, that great period of time when Government consisted largely of Ministers rising to announce new spending programs. It was a great expansionist era and politics was relatively easy then because politicians only had to decide what problem faced the country on which they could spend money. That was not hard politics, that was simply a matter of goodwill and the ability to spend money. It is the legacy of that approach which has now returned to haunt us in the eighties, a time when politics has become much harder and involves restraint in an effort to reduce the staggering deficit.

I have listened to the speeches made by Members opposite. As the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) said this morning, any measure like Bill C-80 is bound to be fodder for the cannons of the Opposition. It is easy to shoot at the Government when tax increases are part of the legislation before us. However, the speeches that have been made in criticism of Bill C-80 have been very big on rhetoric and some of it easy rhetoric, but have not squarely addressed the reality faced by Government in the 1980s.

I now turn to the three measures I wish to mention briefly. One measure designed to increase Government revenue is the tax on cigarettes. This is the second time in the Thirty-third Parliament that a measure has been brought forward to increase tobacco taxes and it is the second time I have risen to speak in support of that increase for the same reason. I believe that the place of tobacco in our culture is something on which it is very difficult to formulate government policy. There are countries like China in which smoking is an indulgence followed by virtually the entire population. This kind of debate would never occur in China. However, in Canada we have now come to a point at which we are recognizing the extraordinary health hazards involved in the use of tobacco as well as the many related costs including the agricultural cost involved in having prime land dedicated to tobacco. A debate is now