Excise Tax Act

Not many months ago when similar matters were raised in the House, a variety of individuals had substantial comments to make about what this would result in.

I want to take a few moments to remind Members on the government benches of quotes of certain of their Members regarding excise tax increases. On December 13, 1983, at page 116 of ***Hansard***, the Hon. Member for St. John's West (Mr. Crosbie) had this to say:

● (1110)

This ... is a huge regressive tax bite, far greater than the hospital insurance premiums collected by Ontario or any other province, that this Government has now introduced legislation to try to stop. Hypocrites, cynics, manipulators guilty of deviousness, deviates; this is what the Government is composed of.

This was uttered by the Hon. Member for St. John's West regarding this particular measure. At that time the measure was referred to as being devious. It was a manipulative move on the part of the Government. It was a cynical move on the part of the Government. It was a hypocritical move and represented a sense of deviousness. A few months later this Government has turned around and is introducing exactly the same kind of legislation.

I make this point not only to indicate that once Members of Parliament change from the Official Opposition to the governing Party they change their tune on a whole set of issues but that it is the kind of thing that encourages people to be cynical about what politicians have to say. For example, on February 13 of this year the same gentleman, the Hon. Member for St. John's West, asked the then Minister of Finance if he would agree to eliminate the federal sales tax increase of 1 per cent next October, a sales tax which he has already imposed on the Canadian consumer. He went on to ask if the Minister did not agree that Canadian consumers must be helped if there is to be a continuing recovery. The Hon. Member for St. John's West was attempting to say that, by taking out of the pockets of Canadian citizens through an increased federal sales tax hundreds and hundreds of thousands of dollars, this money would not circulate in the communities of Canada. He indicated that we are talking about hundreds of millions of dollars that this particular piece of legislation will take from the pockets of Canadians.

It does not take much imagination to recognize that for a recovery to occur in Canada, one of the critical ingredients is that Canadian consumers exercise their buying power and begin to purchase goods and services once again. The Gallup poll of a few days ago indicates that Canadian consumers do not have much confidence in what lies ahead in the next number of months and are consequently keeping their money in their savings accounts. They are not purchasing the goods and services that a recovery requires. What the Hon. Member for St. John's West said back in February, 1984 still holds true today and perhaps even more so.

The Government is trying to generate a sense of confidence in the country and to encourage people to be confident about the ability of the Government to create an environment in which a recovery can inevitably occur. To have as one of the very first acts of the Government the implementation of the increase in the federal sales tax is not the kind of gesture that develops and builds confidence in the country. It does not encourage Canadian consumers to have faith in how the Government is going to treat them.

A few days later, on February 16 of this year, the Hon. Member for St. John's West had this to say:

The Minister calls it the special recovery tax. He should rename it the special recession tax. There is no recovery. This tax is not going to help it, this special recession tax—

Where does the Minister help domestic demand in this Budget? ... He might help consumer demand if he did away with the 1 per cent increase in the federal sales tax that is coming in October. It is a regressive tax that bears more heavily on lower income people.

Again, the Hon. Member for St. John's West was trying to point out to the Liberal Government of the day that introducing a sales tax at that critical time when the recovery was at a very fragile point in its evolution would not be appropriate. I respect that view. I think it would be in the best interests of this new Government, if it wants to build a sense of confidence and hope for the future, to listen to the advice of the Hon. Member for St. John's West. The Government should stop this nonsense of introducing a federal sales tax which will take hundreds of millions of dollars out of the pockets of Canadian consumers. It will do very little in terms of encouraging a positive atmosphere in the country for economic recovery.

● (1115)

A few days later, on March 30, 1984, the Hon. Member for St. John's West had this to say:

One thing I would not have done is to bring in the tax increases which the Minister of Finance brought in in April and which he confirmed again in February. How could this be the right time to have tax increases when there is not any kind of vigorous recovery going on in the economy? I would not impose another 1 per cent increase in the sales tax on the Canadian people in October, and I would not have made the changes in the child tax credit and the other changes which were introduced in the Budget last April.

Again the Hon. Member was trying to point out to the Liberal Government of the day that an increase in the sales tax was not the kind of action which would encourage recovery in the country.

In the dying days of the last Parliament, on June 28, 1984, the Hon. Member for St. John's West went on to say:

In the next three years the Government is going to take $2.4 billion from Canadian consumers through the new special recovery tax, a 1 per cent increase in the sales tax. This year the Government will take $300 million. How can the Minister justify these increased taxes on Canadian consumers whom he is crucifying with increased interest rates at the same time? How can he justify that, the unemployment it will bring, and the recession that will follow it?

Why is it that I am reminding Members opposite of the words of the Hon. Member for St. John's West which were spoken only a few months ago? As an individual who had been the Minister of Finance and who at that time was the financial critic for the Progressive Conservative Party, he was standing up in his place and saying day after day that an increase in the federal sales tax would work against recovery and that it would not be in the best interests of economic recovery in Canada. A few weeks later the first action which was taken by the Progressive Conservative Government was to turn 180