

*Excise Tax Act**[Translation]*

Mr. Fernand Robichaud (Westmorland-Kent): Thank you, Mr. Speaker, for this opportunity to comment on Bill C-80. I say "comment", because I think at this point there can be no more debate. The Government intends to have all the measures proposed in this Bill approved, without considering the demands made by Members of this House. I may add that the demands of the tourist industry will also be ignored.

Mr. Speaker, I would therefore like to share with you a number of comments on this Bill and the tourist industry. I also would like to quote general statements made in this House by Conservative Members when they were in the Opposition. One Member said on March 14, 1984, and I quote:

In 1983, Canada had a record travel deficit, and an important cause of this deficit is the much higher price of gasoline in Canada compared to the United States.

Another Member said on January 30, 1984 and I quote:

The Canadian Automobile Association states that the high cost of gasoline has been a major culprit in deterring foreign travellers from auto touring in Canada. About 85 per cent of all tourism in Canada is by automobile.

Another Member said, and I quote:

The tourist industry is definitely pessimistic. We could take steps to reverse the trend in this crucial sector, and we would be well advised to start by reducing the federal tax on gasoline.

Those statements were made by Conservative Members when they were in the Opposition. I have yet to hear those Members raise the same points in the debate on Bill C-80.

Mr. Speaker, I also would like to share with you some data published by the National Conference on Tourism for Tomorrow. The paper is about the consultation process leading up the National Conference on Tourism for Tomorrow, and it says that more than 1,000 private citizens, businesses, professional associations and specialized groups in Canada gave their views on the problems being experienced by the Canadian tourist industry and the industry's potential. The 1,000 respondents said time and time again that current prices in Canada were too high, especially compared with the United States, and that this was very bad for tourism. Most comments were about the price of gas and alcoholic beverages.

Mr. Speaker, that is what our respondents had to say about the prices and more specifically about the price of spirits and gasoline. And here is what Bill C-80 brings us when we look at the price of spirits and gasoline, which are two major factors for the tourist industry.

Mr. Speaker, I may say, first of all, that the tourist industry is a very important one for Canadians. Tourism generates thousands of jobs. There are 600,000 persons working in this sector, which means that one out of ten Canadians work in the tourist industry. The industry represents 5 per cent of our gross national product and generates revenues of approximately \$20 billion, which means it is well ahead of many other industries.

Mr. Speaker, nevertheless, despite the importance of this sector, the Government is doing everything it can to harm an industry that could create the jobs we need today.

To get back to the Bill before the House today, the proposed legislation provides for a 2 per cent increase in the tax on spirits. It also provides for an increase of 2 cents per litre in the tax on gasoline, diesel fuel and airplane fuel, as of September 3. We also find an increase of 1 cent per litre, effective January 1, 1987. The House will recall that the purpose of this increase is to pay for the full indexation of pensions for the elderly. The legislation also provides for extending sales tax to candy and soft drinks, pet food and certain health care products, which of course goes beyond the concerns of the tourist industry. We also find in this Bill the 1 per cent increase in sales tax, effective January 1, 1986.

So, to get back to the tourist industry: If we consider the price of spirits, we find that the Canadian Government is levying three times as much tax on a bottle of spirits as the U.S. Government.

Mr. Speaker, when Americans think about spending a few days in Canada, they certainly look at the price of spirits as a major factor, but it is only one factor among many others.

Mr. Speaker, I shall if I may get back to the price of gasoline, which is the most important consideration for people who come to visit this country by car. In fact, 85 per cent of the tourists who visit Canada, of Americans who travel across Canada, prefer the automobile over any other means of transportation. So if we look at the tax on gas which we were already exposed to in October 1984 . . . Does this mean I have one minute left, Mr. Speaker? Very well. Time flies.

Mr. Speaker, perhaps I may make a few more comments on the increase in the price of gas. If we consider the increase in the price of gas since the new Government came to power, we realize that the price has increased by 8 per cent. That increase is reflected in loss of visitors and especially loss of jobs, which works out to 18,500 jobs.

Mr. Speaker, I think we need these jobs back home, and I think people across Canada need these jobs.

● (1640)

[English]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I am willing to take a minute or two to register the very deep concern that members of my own constituency would want to express about the cavalier way in which this Government is dealing with an essential tax matter. We have watched Tory MPs bob and weave trying to explain the inherent contradiction in a tax Bill that is a repressive measure. It dampens growth, slows down the important initiative and dynamics of many vital sectors of our economy all for the sake of so-called deficit reduction, a deficit that is not reducing at all but is increasing.