

Excise Tax Act

tion, and it provides for increased cost recovery in the provision of services to the air transportation industry. In addition, the bill includes a number of technical amendments which will eliminate anomalies and facilitate administration.

The proposals contained in this bill have received a wide degree of support from the general public as well as the professional community. Since most of the proposed changes are effective as of the budget night, they have already been fully incorporated in the administration of the Excise Tax Act by Revenue Canada. Individual Canadians have seen the prices of many of their household products and automobiles reduced as a result of the general sales tax cut. In order to give these changes the force of law, and in order to remove any public uncertainty about their continuation, I urge hon. members to approve this bill as soon as possible.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, on November 16, 1978, the Minister of Finance (Mr. Chrétien) and the government, backed by row upon serried row of government supporters, were applauding themselves, but to me it sounded more like two or three boys whistling their way past the graveyard at midnight. After all, it was one month after the byelections across Canada when the government got thoroughly whipped. Then we saw changes in the budget. We will get to the income tax in Bill C-37 in due course, but we are going to talk about Bill C-38 now.

Here, we saw in a half-hearted way the government engaging in a tax cut through a 3 per cent rebate in the manufacturers' sales tax on a certain number of items. These items did not include building materials which are kept at 5 per cent. I must say that if the government had been in any way interested in stimulating industry and employment in this country, it would have gone after a tax cut of 5 per cent on building materials. We all know that outside of a limited number of centres in Canada, house building and residential construction have taken a nose dive.

House building is at an absolute standstill except for places like Edmonton and Calgary in Alberta, and perhaps some expansion in Saskatchewan and some in Toronto, but not a great deal. The industry is ill, and this should have provided an incentive to the government to take away the 5 per cent sales tax on building materials. However, it chose not to do that.

Let us go through the ways and means motion and see just what is provided. First of all, it imposes 12 per cent on alcohol and wines, even including wines produced in Canada. Considering what the government of Ontario has done to wine and spirit prices right now, I think that it is absolutely scandalous the way our governments are performing, particularly with regard to wine. And, incidentally, the provincial governments are doing this without the sanction of their Houses.

I am not saying anything new as far as I am concerned. I think that it has been a monstrous performance by the provincial governments for 50 years in so far as they impose the increases in prices on products which are essentially being taxed without a word of consent or otherwise by the consumers and the people of the country. Never has there been such a

flagrant example of the principle of taxation without representation as in the case of alcoholic spirits and wines in this country.

Then there is a confession. Item No. 2 in the ways and means motion is an abject confession of failure. However, the hon. gentleman who is responsible for this particular tax is no longer here. He sits in the wings in Toronto and is known as that "blue eyed" man. I think that this is a legacy of the 1973-1974 era when there was a 5 per cent special excise tax on large motorcycles and 10 per cent special excise tax on boat motors exceeding 20 horsepower. I believe that there is one new government minister who, I am sure, would remember that incident very much, because at that time there was a question of a leak when there was a change in the budgetary proposal with regard to the size of the motors.

At the time it was ecologically right to impose these taxes because we were facing an energy crisis, and the object was to cut down on the consumption of gasoline. Therefore it was decided that the government would cut out large motorcycles, outboard motors in excess of 20 horsepower, and all but the smallest of aircraft used perhaps in the north where there was a special circumstance. The then minister of finance had to be kicked all around this House by members on both sides in order to amend this proposal. Now, according to the Minister of Energy, Mines and Resources (Mr. Gillespie) with regard to Bill C-42, we face an even greater shortage of energy. But the government proposes to repeal this tax, thereby confessing that it had nothing to do with the conservation of energy outside of the fact that it was a special tax which raised incidental revenue. It was a worthless exercise, but now it enables the Minister of Finance (Mr. Chrétien) to claim that he is a jolly good fellow for removing it. It was an empty gesture, ill-conceived, and now is quite readily being removed.

● (2130)

The third item of the ways and means motion deals with the metrification of gasoline and it delimits the tax per litre. That is nothing new and is simply a technical amendment. We now know that gasoline shall be sold as "gasoline, premium, no lead", "gasoline, grade 1", "gasoline, grade 2" and "gasoline, no lead" and "diesel fuel". Then we have the metrification of aviation gasoline which I do not think should concern us too much.

Section 5 delimits specifically the authority to impose a penalty on default of payment of tax due within the time limit specified in the regulations. A person who files a false or defective tax refund claim in regard to gasoline will be liable to a jail sentence. I have not read what the penalty will be but I am sure there will be a provision for a jail sentence. This government loves to put people in jail.

Next we have the technical amendments. The most interesting is paragraph 10 of the ways and means motion which is an amendment to part XVIII or schedule III, dealing with building materials. I remember when a former minister of finance, Mr. Turner, brought in an amendment with regard to thermal insulation materials designed exclusively for the insu-