

## PROCEEDINGS ON ADJOURNMENT MOTION

[Translation]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Charest):** It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Copyright (a) Introduction of legislation. (b) Arts funding; the Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs—Niagara River pollution (a) United States clean-up plan. (b) Contents of plan; the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano)—Corporations—Take-over of Montreal East company (a) Economic impact. (b) Situation in Montreal East—Government position.

## GOVERNMENT ORDERS

[English]

### EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

**Mr. Alan Redway (York East):** Mr. Speaker, I am very pleased to have this opportunity to speak in connection with Bill C-80, a Bill to amend the Excise Tax Act. As all Hon. Members and all Canadians know, this is one of a number of Bills which is being presented in order to implement the Budget that was put forward by the Minister of Finance (Mr. Wilson) on May 23. This particular Bill is one that deals almost exclusively with tax increases. That is no secret to anyone. There are about four different types of tax increases included in the Bill.

The first tax increase included in the Bill broadens the base of federal sales taxes to include a great many more items. It is interesting to note that at the present time, only about 30 per cent of all commodities in Canada are subject to federal sales tax. The Government, in its wisdom, has considered it to be unfair that only 30 per cent of commodities should be subject to federal sales tax so it is increasing that base to cover a great many more items.

The second tax increase contained in the Bill deals with the federal sales tax itself which is to rise by 1 per cent on January 1, 1986. That means that things like construction materials and cable and pay-TV will be subject to something like a 7 per cent federal sales tax. The sales taxes on alcohol and tobacco

### Excise Tax Act

products will rise to 14 per cent and the taxes on all other items will rise to 11 per cent.

The third area of tax increase included in this Bill deals with the tax on gasoline. On September 3, as we know, gasoline prices increased by two cents per litre. That was as a result of the tax increase announced in the Budget and being implemented by this particular Bill. On January 1, 1987, not 1986, there will be a further one-cent increase per litre in the price of gasoline as a result of the provisions of this Bill.

Finally, there will be an end under this Bill to the automatic indexing in the increase in taxes on alcohol and tobacco. The increase will be limited to 2 per cent over-all on alcohol and 25 cents per package of 25 cigarettes. This is one of those Bills which is not always welcome to Members of the House and it is certainly one that is not exactly viewed with wild glee and enthusiasm by the people of Canada. None of us like tax increases but all of us are realistic. Certainly Canadians are as realistic as any people in the world.

Canadians realize that we have problems in this country. They realize that we have unique problems at this time which include not only an enormous deficit but high unemployment as well. Somehow we have to deal with both of those issues at the same time. That is really what the Budget of May 23 was all about. It was an effort to put people back to work and create jobs while at the same time try to keep the deficit under control and not let it climb sky high. That, then, is what this Bill is all about. It is one part of the budget legislation package which tries to do those two things. They seem to be very opposite and not to have any relation to one another.

● (1700)

Hon. Members will recall that in September of 1984 when the Government took office unemployment was running at about 11 per cent. I suppose it is down somewhat from that figure right across the country. However, it is down in some places more than it is in others. In my constituency in Metropolitan Toronto unemployment is down to 8 per cent or 9 per cent. However, in other parts of the country it is up substantially above that. It is in the 15 per cent to 20 per cent range in British Columbia, Alberta, Quebec and Newfoundland. So there was a substantial problem which had to be dealt with when the Government came to office in respect of unemployment. That is what the Budget was agreed to do, as was the Western Accord and the Atlantic Accord.

These measures were geared to try to create some jobs in order to put people back to work and to do what the Hon. Member for Winnipeg North (Mr. Orlikow) referred to when he spoke about putting people back to work to generate some tax dollars to help pay down the deficit. That cannot be done by waving a magic wand. It cannot be done by just wishing or dreaming. Something positive has to be done. The Government did something positive when it introduced the Western Accord and the Atlantic Accord. Those were measures geared to help the areas which were experiencing extreme unemployment.

In the Budget of May 23 there were measures dealing with pension funds which can now be used for investment in small