

Excise Tax

tioned the automatic indexing of the excise taxes on liquor, beer, wine and tobacco. This is just a terrible precedent which has now been picked up by two provinces already, and I can understand why. The minister of finance for Newfoundland badly needs money, every cent he can get. The minister of finance for Ontario badly needs money. They are both going to squeeze us until our pips squeak. That is the nature of finance ministers: they have to raise money.

The minister here is in the same box, but he creates a precedent for the provinces to index their taxation on liquor, beer, wine and tobacco. He wants to increase the tax as the cost of living increases every three months. I think there is going to be a change to make it every six months or every year. The government will not have to come back to this House any longer to ask for increases in the taxes on alcohol, beer, wine or tobacco. The people of Canada will just automatically have the cost of those products increased every three months, six months or every year as the cost of living goes up.

Surely, a government which is devoted, as it says it is, to fighting inflation should not include that kind of a provision in the legislation and ask the members of this House to pass it, so that automatically, if the cost of living goes up—I have forgotten which index we are using, and it does not much matter what index we are using—the taxes on those products increase. Very shortly we will have this as a feature of every one of our consumer taxes. It will not stop with just alcohol, wine, beer and cigarettes; that is only the start. Members of this House have little power anyway. We are in a presidential system. Once the government has a majority we might just as well all stay at home for the effect we can have on affairs, because the government demonstrates, with this bill that it refuses to listen to us or to the people who come before committees.

The government argues that indexing the excise tax is something similar to indexing exemptions under the personal income tax. There is not a word of truth in that.

I have to conclude now because my time is up. However, just let me say that indexing income tax does not protect government from inflation. It imposes greater burdens on the taxpayer. It exposes the taxpayer to the greater burdens of inflation. It does nothing to restrain the government in its operations. It does nothing to restrain government in its expenditures. It has the exact opposite effect of indexing personal income tax. It is completely inconsistent.

We hope the government will reconsider this provision and join with us in eliminating it from this bill before debate is finished in this chamber.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I rise today to indicate a number of concerns that we have regarding Bill C-57, to amend the Excise Tax Act and the Excise Act, as well as to introduce some levies, which I suspect most members of the House realize are inappropriate, relating to the oil and gas industry and the provincial ownership of those resources.

I speak as a relatively new member of the House. I have really appreciated the opportunity of participating in the discussions via the finance committee and listening to the various witnesses that came before us, such as the city of Medicine Hat, the Hobbema Four Band Council from Alberta, the Canadian Community Newspapers Association, the Canadian Construction Association, Canadian Federation of Small Business, Federation of Alberta Gas Co-ops, the Canadian wine industry, the Canadian Federation of Independent Business, and a whole number of excellent witnesses who came before the committee because they were given an opportunity to react to Bill C-57.

These people were not trying to avoid paying taxes. They were not attempting to dodge around the legislation. They came before the committee because they had serious concerns about it. There were obvious weaknesses attached to the legislation. There were areas that had been almost obviously overlooked and perhaps provisions which had been assembled in haste. They wanted to draw our attention to those problems in the proposals in Bill C-57, based on years of expertise in the field of newspapers, distilling liquors and oil and gas development. We owe them something. I am sure the minister recognizes that we cannot ask witnesses upon witnesses to appear before the committee, listen intently to their concerns, become involved in elaborate discussions with them, read their intensive and extensive briefs, and then ignore them. What is that going to say to the people of Canada in terms of our Parliament and the committees of Parliament if we invite witnesses and then simply ignore what they say? The word would go out quickly, the word would spread as quickly as a grass fire on the prairies, that there is no point in raising issues with the subcommittee of the House because the government will simply ignore them.

● (1730)

We on this side are optimistic that the government will not ignore these witnesses and that it will come forward recognizing that there are some real weaknesses in Bill C-57 as it is presently drafted. In an effort to gain revenues perhaps the government moved too hastily in some areas. We hope now that it has the courage, in the interests of the country, to say that it is prepared to accept and make changes in certain areas.

What are some of these areas? I shall try not to mention points that we will be discussing in detail but will simply highlight half a dozen areas in the legislation about which I suspect every member in the House would agree that yes, concern is legitimate and changes are necessary.

This is the International Year of the Disabled. There is a clause in Bill C-57 saying that if you have a problem with your foot or ankle and a brace or a device is necessary to correct the problem, it is tax exempt. But if you have a problem with your back, your shoulder, your thigh, or any other part of your body, a brace is not tax exempt. Furthermore, if you are suffering from multiple sclerosis and need an entire body brace, you have to pay for it, yet if you have a problem with