

Oral Questions

commitment, as the Minister of Finance, to be supportive of the Minister of Fisheries and Oceans in any request for additional funding for habitat protection, for enforcement, and for salmonid enhancement, and make a real commitment to this renewable resource which can provide jobs forever and ever if it is looked after properly?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have always tried to be supportive of every reasonable request which is made by Ministers. My friend recognizes, however, that there are many Ministers in the Cabinet, and many reasonable requests come forward. Obviously, we have to prioritize expenditures and try to apportion them in the fairest way possible. I can assure my friend that not only the Minister of Fisheries and Oceans, but also the Minister of State responsible for social development, Senator Austin, has been making very strong representations over the last several months in that regard.

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FINANCE

IMPACT OF TAXES ON DISTILLERIES

Mr. Ron Stewart (Simcoe South): Mr. Speaker, my question is also addressed to the Minister of Finance. The Minister is aware that distillery taxes amount to \$533 million, while the total revenue of the industry is \$496 million. This has led to a decline in distillery sales and the lay off of 2,500 workers, costing the Government almost \$40 million in unemployment insurance payments and lost income taxes. Would the Minister tell us what he plans to do about this situation?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would like to remind my hon. friend that, first of all, the share of taxes going to the federal Government from the distilling industry has gone down quite considerably over the last 15 years. If he looks at the figures, he will find that the share which has increased the most—

Mr. Crosbie: Watch out, Pinocchio.

Mr. Lalonde: —has been the share taken by the provincial Governments. I invite the Hon. Member, if he has good representations to make about taxes, to address himself to his own Conservative provincial Government. The provinces are the ones which have increased the taxes most over the years. We have an indexed tax system at the federal level at the present time which, *post factum*, merely represents the increases which have taken place in the price of the product and in the provincial taxes. This is the policy which has been followed by the federal Government.

Finally, I would like to stress the fact that there has been a considerable change in behaviour of the citizens not only of Canada but of the United States *vis-à-vis* the consumption of hard liquor over the last several years. I must say it is not a change in behaviour of which I would disapprove. On the contrary, as a former Minister of Health, I would like to see a

reduction in the disease sclerosis of the liver, and a reduction in the number of people injured or killed in car accidents by drunken drivers.

Mr. Stewart: Mr. Speaker, I am not standing here for a lesson on morals. I am standing here to ask about lost jobs and lost revenue.

REQUEST THAT MINISTER TAKE BUDGETARY ACTION

Mr. Ron Stewart (Simcoe South): The imposition of the regressive *ad valorem* taxation which has been imposed on the distillers is hurting our tourism industry, forcing the sale of spirits down to the point that if it keeps at the level it is today—and I have the figures here, Mr. Minister—the net loss will be to the federal Government because the taxation will not be as great as it was last year.

In effect, what the Minister is doing is forcing sales down, increasing revenue, but the net result is that the goose which has been laying these golden eggs is going to be killed. Will the Minister address this issue in his Budget and stop fudging with the provinces?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, again I would like to invite my hon. friend to address his representations to his provincial Government if he wants to see taxes reduced in that regard. If the provincial taxes are reduced, the federal taxes will automatically be reduced because they are indexed on the price of the product and the provincial taxes. I would also like to point out to my friend that if there is a reduction in alcoholism in Canada this will also mean a reduction in the cost of health services. Therefore, even if tax revenue were to go down, there would be a significant decline in terms of the cost of health services with respect to people who are injured or sick because of the abuse of alcohol. It is not a one-way street in that regard. Again, I must suggest that my friend look at the considerable change of lifestyle and behaviour which has taken place in North America. I believe we should applaud this evolution whereby Canadians are showing a lot more moderation *vis-à-vis* the consumption of alcohol than they did in the past.

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AGRICULTURE

NORTHERN SASKATCHEWAN—REQUEST FOR ASSISTANCE FOR GRAIN FARMERS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is directed to the Minister of Agriculture. The Minister knows that throughout a lot of northern Saskatchewan the year before last there was frozen grain which resulted in cheap grain. There was also no final payment for this grain. Last year a lot of that area was flooded, and I am sure the Minister is aware of the effect of the midge in that particular part of the country. It resulted in little or no crop. Is the Minister planning any special assistance for that particular area, alone or jointly? Does he intend to make any representation to the