

*Excise Tax Act*

**Mr. Boudria:** Mr. Speaker, regarding the size of the hat, I suppose the size of one's hat is the size that is required to hold what is inside.

**Mr. Gormley:** All kinds of air.

**Mr. Boudria:** I would like to respond to the more substantive comments made by the Hon. Member. First, he said that he had listened very closely to my remarks and he indicated that the contractors in my riding have contracts signed for a year in advance. Of course that is not what I said. I said that the contractors of my riding have contracts signed to the end of the season and, of course, the construction season will end a few weeks from now after which time one will not be able to pour large amounts of concrete. Some construction still goes on in the winter but not as much as in the summer months. The prices which were quoted were at the beginning of the season for the construction season. That does not mean they have contracts for a year in advance. That is not the case. Perhaps some of them do but it had nothing to do with what I talked about in this House today.

● (1740)

What I talked about is a policy which is unfair. If the Hon. Member opposite is saying that the whole issue of raising that tax is unfair, that is fine, I will agree. However, I did not even go that far in asking it to be removed. I only asked that it be delayed until January 1 of next year so as not to harm the small business people of my constituency. However, I will go along with the Hon. Member's version. Let us remove it completely.

**Mr. Brisco:** Read the "blues".

**Mr. Boudria:** The Hon. Member opposite tells me to read *Hansard* later. Perhaps he should do that also and he would get straight what I said.

The Hon. Member opposite talks about the fact that the Province of Ontario has been put into debt by the provincial Tories. It is not my fault that the Tory Government of Ontario spent some \$650 million of money it did not have in order to buy 25 per cent of Suncor. The Liberals are now trying to fix up the mess which Frank Miller and his friends left behind, and they will succeed.

**Mr. Deputy Speaker:** Resuming debate.

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, we have in front of us another piece of the Tory edifice being built, another brick in the wall of tax increases which we believe will lead to a severe blockage of the economic progress of this country. This particular Bill has in front of it the whole omnibus itself. We have the rates increased on federal sales taxes. We have a broadening of federal sales taxes to a whole new set of absolutely crucial items to our economy like candy, soft drinks and pet food. That shows the certain desperation of a Government when it decides that those targets somehow deserve to be taxed extra. We also have with this piece of legislation the increase in excise taxes on gasoline by two cents

per litre. Farmers, incidentally, are also going to have to pay the extra two cents per litre tax, thereby contradicting one of the promises which this Government made before its election that it would take all fuel taxes off fuel for the farm.

**Mr. Thacker:** Not all.

**Mr. Langdon:** That is what was said and that is what this tax contradicts.

What this legislation also does is increase the per unit taxes on different categories of alcohol by 2 per cent and, of course, a package of cigarettes is increased by 25 cents for a package of 25. All of these increases, when one adds them together, represent a colossal drain on the economy of individuals. The federal sales tax increase takes \$990 million out of the economy and away from people. The cost to Canadian consumers from broadening the federal sales tax is \$785 million. The total cost of the excise tax increase for gasoline is \$1.325 billion. We then add on the tax increases on alcohol and on cigarettes, which makes a total excise tax increase of \$1.765 billion, and the total package, the total gap in consumer spending, which will result from just this part of the Budget, is \$3.54 billion. I predicted, if you recall, Mr. Speaker, when the Budget debate took place in principle last May and June, that the consequence of this massive shift of money out of the pockets of people would be to slow down the economy as compared to what would take place, and to lead as a result not to a lower deficit as was predicted, but instead to a higher deficit. What is fascinating, Mr. Speaker, is that the evidence is now proving that to be the case. The deficit is increasing rather than decreasing because the growth rate is not moving ahead with the kind of buoyancy which is required.

**Mrs. Maily:** It's better than the United States.

**Mr. Langdon:** It is better than the United States but let me tell the Hon. Member that that is not good enough. We have to accelerate growth in this country if we are going to bring down the deficit. By taking \$3.54 billion out of the pockets of Canadian consumers, we are doing exactly the opposite. We are slowing down growth and cutting the capacity of the farmers, workers, small business people in my constituency, and in Conservative constituencies, to go out and buy the products which will get our people back to work and get our economy producing once more. This Bill, I believe, is particularly obnoxious in the mechanisms it uses because the tax burden from these kinds of increases falls upon people for what they purchase not for what they earn. The consequence is that the increased tax burden, as a percentage, can be greater on families making little money than on families making a great deal of money. For example, a family earning \$20,000 is going to pay a 1.4 percentage point increase in tax burden as a result of these various measures. A family earning \$40,000 will have to pay an increase of less than 1 per cent. Therefore, what this proposal does is take a higher proportion of money from the poorer people.

That is a particular contrast with the tax decreases in the Budget package. Those tax decreases, of course, are going to