

Excise Tax

Mr. Ron Stewart (Simcoe South): Mr. Speaker, I feel a sense of déjà vu, in rising to speak on this bill today. Over 200 years ago the Americans staged a tea party in Boston to protest against representation without taxation. That is precisely what we are again now talking about right here.

Mr. Knowles: It was the other way around!

Mr. Stewart: The government is asking Parliament to give carte blanche approval to a bill which would automatically increase excise taxes indexed to the consumer price index. How convenient it would be for the government not to have to face Parliament when future taxes are increased! How convenient it would be for the government not to have to deal again with unpopular measures in the future! But that is not the Canadian way because it was not the American way. It is the Liberal way. I have been present religiously in this House since Parliament was convened over a year ago and I have not seen one positive measure put forward by this government—not one piece of legislation which adds to the productivity of this country. That is what the free enterprise system is all about.

● (2030)

This bill is oppressive, regressive, rotten, and imposes risk-stifling taxation. It is putting an 8 per cent tax on our gas industry. Hon. members opposite stand up so proudly and say this is Canadianization. They call it a national oil policy, but I call it a disgrace and a nationalization oil policy. Not one piece of progressive legislation which deals with building Canada or measures to get this moribund economy moving again and put Canadians back to work, not out of work, has been offered.

This legislation is regressive, oppressive, unfair, discriminatory and will only add to the cost of living and inflationary woes of one of the greatest nations in the world. It is crippling the citizens of Canada.

We do not need negative legislation. We need positive measures which will provide social justice and groceries at a reasonable cost. We need jobs. That is what my constituents are interested in. We need less unemployment, not more. We need lower interest rates, and it can be done, so that more Canadians can carry on their small businesses and afford mortgages so they can own their own homes. It is the Canadian dream, if you will.

We need positive action and some sign from the Minister of Finance (Mr. MacEachen), who smirks and smiles and shrugs, that he is aware that inflation is enemy number one in this country. We need positive measures to encourage the manufacturing sector and to stimulate R and D.

Most of all we need an awareness on the part of the government that the economy is sluggish and that its policies are mainly to blame and should be changed. They can be changed.

I am fortunate to have a wonderful corporate citizen in my constituency in Molson's Brewery, one of the largest breweries in the world. The new rate of excise tax on beer goes far beyond the Crosbie budget in terms of the application of the

levy. The Prime Minister (Mr. Trudeau) and the Deputy Prime Minister—the alleged—and I say alleged—Minister of Finance, have launched a new beer on the market. I wonder how many members opposite have heard about it. It is called "Overdraft". It is not a popular seller. It does not go down well with the average Canadian, like Molson's. Like the government, Overdraft is full of froth and suds and foam. I resent the government's end run in indexing this beer excise tax to the alcoholic beverages subgroup of the consumer price index.

I resent periodic increases in this tax without reference to this Parliament. We have not had the Boston tea party yet. Like some of my colleagues who spoke earlier, I am saying we have not had it—yet.

I resent the ham-handed efforts of the government to avoid facing Parliament on this issue in the future. I resent its arrogance—read any newspaper and you will see it—in attempting for all time to stave off the politically risky business of dealing with increases in the price of beer in future budgets.

The opposition was told that this tax is being imposed to protect government revenues derived from this tax from erosion and that it was based on the same formula which applied to the indexation of personal income tax. What a joke. Indexation of personal income tax is designed to protect the taxpayer from inflation and to discipline government to better manage our fiscal affairs. It was not intended that the government should ever profit from inflation by automatically receiving higher revenues from people because they obtained cost of living increases to ward off the ravages of the record high inflation which has been brought on by this government. That evidence is based on statistics, it is not just my opinion.

By indexing taxes on beer the government is doing or attempting to do exactly and precisely the opposite of what indexation of personal income tax, as originally suggested by the Hon. Robert Stanfield, is doing—it is taking advantage of a formula which is meant to buffer the consumer against inflation and fiscal management.

If we allow this measure to pass, the government will be allowed to tax people on inflation and to do it without ever again referring the matter to Parliament. Shades of the Constitution—shades of metric!

I am sure all hon. members are familiar with the brief which was sent to all Members of Parliament by the Brewers Association of Canada.

I would like to quote from a letter I received from a driver-supervisor for Brewer's Retail in my home city of Barrie. This is a concerned Canadian, not some executive officer. He points out that with this insidious and ad valorem tax on beer, by 1991 a case of 24 beer will cost \$23.64 and a bottle of gin will cost \$16.64. He writes:

I find this hard to understand since the alcohol content of distilled spirits is higher by volume by 35 per cent than it is in beer, I am also concerned that the proposal of automatic increases on alcoholic beverages would not require the approval of Parliament.