

Excise Tax Act

seems to be relying more on this type of regressive tax, which is a tax on an individual who is spending his money in many cases for necessities which he must have. The Government is depending upon these regressive taxes, these sales and excise taxes, to cover federal expenditures. The more the Government does this now and in the future, the more difficult it will be to revise the situation after the next election when the Government says that it will have this value added across the board sales tax.

As we have indicated in the House on many occasions before, the taxes which the Government has placed on the people of Canada in the past have amounted to approximately \$1,400 per individual. In the Budget which the Minister of Finance brought down recently, he took a great deal of pleasure in telling us that the Government was returning \$400 in income tax to the people of Canada on an individual basis. He neglected to tell the people of Canada that he had already collected \$1,400 more, thus making the net result somewhere around \$1,000 of increased taxes per individual since 1983.

I wish to go through a few of the main revenue raising items in this Bill. The first and probably the most discriminatory is the 10 per cent tax on telecommunications services such as telephone and telex services. This particular tax discriminates against the northern and the rural resident.

Mr. Speaker, as a resident of the City of Edmonton, you will know that surrounding the City of Edmonton there are hundreds of small telephone exchanges. In my home town, if I wish to call to the town 17 miles away, I have to make a long distance call. There are people in my community who send their children to school in a town which can only be reached by a long distance call. They live 40 miles from the city, but in order to reach that city they have to make a long distance call. If these people wish to conduct business, call their church, their doctor or their dentist, they have to make long distance calls. These are every day expenditures for people living in rural areas. They have lived with this situation for a considerable length of time. The Government has now chosen to place a 10 per cent tax on telecommunications services.

Every time a rural resident calls his doctor, his dentist or the school which his children attend, or even when he calls the grocery store to order groceries, he must pay a 10 per cent tax on that charge. You, Mr. Speaker, live in a fairly large city. When you call your dentist you do not have to call long distance. The same is true with respect to your children's school. Therefore this tax is a tax which discriminates against people living in rural areas.

However, people living in rural areas are not the most badly off when it comes to this type of tax. Those living in remote northern areas in particular are much more affected by the tax since a larger amount of money is involved. Since it is a percentage of the total, it asks that much more be paid into the coffers of the Government. It is not so surprising that the Minister of Finance has a tendency not to accept the recommendations sent to him by the Finance Committee. The

Finance Committee recognized that there was a certain amount of discrimination in this particular suggestion. It recommended to the Minister that he at least put a cap on the tax. The cap suggested by the committee was a \$3 cap. That would mean that the rural subscriber would pay only \$3 each time he paid his phone bill instead of such higher amounts as might be collected now. This tax is probably causing the most concern among people across rural Canada.

A second increase in taxation is an increase with respect to the telecommunication programming services tax which has been raised from 8 per cent to 10 per cent. This measure was in the June, 1987 White Paper. This is a tax which is also paid across the board and which is regressive. If one only has a few hundred dollars coming in, such as an old age pensioner has, then one is paying a considerably larger portion of one's income to be able to watch TV or to have the cable come into one's house as compared to one who is earning money in some other way. Consequently, it is a regressive tax. People who are forced to pay it often do not have much extra cash to put out.

• (1640)

Again, in June, 1987, there was an increase on paint and wallpaper products from 8 to 12 per cent. This may have been an attempt to increase the amount of money received from construction across the country, but in small communities such as mine, it had the effect of increasing the price of repairs, maintenance, and construction of buildings.

We assume that every person in Canada has the right to hope at some time during his or her lifetime to own a home. In the West, particularly in the Prairie regions, that is the accepted aim of every family. Every time a tax is put on to parts of the construction for building a home it decreases the possibility of a family ever owning a home, and it also decreases the amount of times that they will be able to take maintenance action to keep the home up.

There has also been an increase in federal sales tax on beer, spirits, wine, and tobacco products from 15 per cent to 18 per cent, an increase of 3 per cent. Those products seem to get it every time. There has been an increase of 4 per cent in the specific excise tax and duty rates on tobacco products.

There has been an increase in air transportation tax levied of \$4 per ticket. As I understand, that tax is aimed at trying to recover the greater proportion of the air transport program costs, the cost of running airports by the federal Government. It does run a few airports and it is attempting to get them off its hands as quickly as possible. Again, this has turned out to be a regressive tax to a certain extent. Because of seat sales, many people have been able to take advantage of air travel a little more than perhaps they have in the past. Each time they make one of those trips they are required to pay that extra \$4. Sometimes that is enough to make them wonder whether it is worthwhile to do so.

Last, but not least in this particular list, is an increase in the excise tax on gasoline and aviation gasoline of one cent per