

Excise Tax Act

It increases the telecommunication services tax, the tax on gasoline, the tax on construction materials, wine and all such goods.

It increases the tax on aviation fuel and on tobacco, cigars and snuff. It increases the tax on practically everything one can think of because it will affect every single Canadian family.

The one tax being implemented in the Bill tonight should show the Government of Canada the inequity of bringing in a tax on all goods and services at the end of next year. While Canadians understand it, I do not think they fully realize now that at the end of next year the Government of Canada will bring in a tax that is going to mean increases in sales taxes anywhere from 9 per cent to 12 per cent in Canada.

Just imagine, the new tax being brought in at the end of next year will mean that when we go to buy something at the retailer we will be hit with a new tax. We will have to pay anywhere from 9 per cent on the item we are buying or the service we are receiving, to close to 12 per cent, depending on where we live in Canada.

For those who live in the Province of Alberta, it will mean a 9 per cent increase on taxes, but for those who live in Ontario it will mean much more than 9 per cent.

Mr. McDermid: Why?

Mr. Baker: The Hon. Minister is asking why. I will get to that.

For those who live in Quebec, it will mean more than 9 per cent and for those who are unfortunate enough to be buying something in the Province of Nova Scotia, Prince Edward Island, New Brunswick or Newfoundland, they will be really hit. Under this Bill we are passing tonight the Government is increasing the taxes on all long distance telephone charges. Let us examine the long distance telephone bill, as every Canadian has done since the Government took office.

• (2210)

Since last year it brought in a new telecommunications tax, or was it the June before last? It was either last June or the June before. That new tax that was brought in was for 10 per cent. When Canadians look at their last

month's long distance telephone bills—they can pick them up this evening and look at them—if the long distance telephone charges are \$100 for the month and they live in rural Canada, they can almost count on a pretty hefty long distance telephone bill. This is because they are not living in a metropolitan area where there are millions of people. They are calling just a short distance away and they are calling long distance, usually.

If it were \$100, say, this new Tory Government would impose a tax of 10 per cent on long distance telephone calls, but that would go on after the long distance telephone charge. In other words, if it were \$100, the telephone company would add on 10 per cent, which would make it \$110. Then on top of that it would add on the provincial sales tax.

Mr. McDermid: The provinces did that.

Mr. Baker: This means that everybody outside a province with no sales tax was paying double taxes.

What would that mean if you had relatives in the Province of Alberta? I will tell you what it means, Mr. Speaker, because you are very well acquainted with the Province of Alberta. If you are calling Alberta from the Province of Newfoundland and you have \$100 to spend on long distance telephone calls, for goodness sakes get your relative in Alberta to phone you because you will get at least another 15 minutes out of your \$100. The reason for that is quite simple: when you call from Alberta, you only have 10 per cent added on to your telephone bill. Therefore it costs \$110.

If your call originated from the Province of Ontario to Alberta, then you can add on another 8 per cent, which means not just 9 plus 8 to make 17, but because there is a tax on top of a tax, it means that you are adding on another \$10 to your \$100 charge.

Let us look at the Province of Newfoundland. You have again your \$100 plus your 10 per cent federal tax. Then you add on top of that 12 per cent Newfoundland tax, and you are up to 24 per cent tax on your \$100 of long distance telephone calls. By straight arithmetic, you can save \$13.34 if your call originated from the Province of Alberta to Newfoundland.

An Hon. Member: What if you reverse the charges?