

Excise Tax Act

12 per cent—on paint, wallpaper and toys which took effect on January 1, 1988 and has brought in \$60 million. The excise tax on a litre of gasoline went up 2 cents on September 3, 1985, up a cent on January 1, 1987, up a cent on February 19, 1987, and again up a cent on April 1, 1988.

If we add them all up—\$900 billion, plus \$450 million, plus \$450 million, plus \$300 million—we can hardly believe the Conservative Government and the Minister of Finance have been siphoning that kind of money from the pockets of the taxpayers. I repeat, Madam Speaker, especially the tax on gasoline which has become a necessity because people do more than drive around, they take their car to work, they drive to the hospital, they drive their kids to school. These taxes on essential things give you an idea just how much money this Government takes away from taxpayers.

● (1140)

On April 1, 1987 the sales tax on gasoline again went up and cost taxpayers an additional \$30 million. There was a gradual tax increase on air transportation on May 1, 1986, \$340 million. Higher taxes on alcohol and tobacco, first increase of \$340 million on May 24, 1985; second increase of \$150 million on February 27, 1986; third increase of \$70 million on February 19, 1987; and fourth increase of \$175 million on January 1, 1988. These are millions of dollars Canadian taxpayers have to pay every day in sales taxes. This commodity tax is not a luxury tax, but a tax on day-to-day necessities.

On top of the \$945 million tax increase starting January 1, 1988, there is the 10 per cent tax on long-distance phone calls. What a shame, Madam Speaker! Slapping a 10 per cent tax on long-distance phone calls, especially in rural regions. But this is just a short list. There will also be a long one apart from all the other taxes which the government will impose through fees and permits and also through Crown Corporations. And I am only talking here about indirect taxes.

Let's now turn to direct taxes. On January 1, 1986, the government deindexed family allowances, personal credits and tax tables, bringing in 635 million dollars. Imagine what would have happened, Madam Speaker, if we had not succeeding in stopping the government from deindexing old age security pensions. Imagine the money the government would have siphoned from the pockets of taxpayers and our senior citizens who had to endure such an insult from this government. Still in the realm of direct taxes, on January 1 1986, the government eliminated the tax abatement, which has brought in \$650 million dollars. On May 22, 1985, it eliminated the deduction for Registered Home Ownership Savings Plan, \$105 million. From July 1, 1985 to December 31, 1986, it imposed a temporary surtax of 5 to 10 per cent on highly paid individuals, \$500 million. On July 1, 1986, it imposed a permanent surtax of 3 per cent on all taxpayers, \$1.2 billion. On January 1, 1986, it changed the taxation of dividends, \$300 million. On January 1, 1986, it changed married people's exemptions, \$20 million. And so on and so forth, Madam Speaker.

When you look at that list, which is a short list, and realize the billions involved in these increases, you wonder: My God, how can there still be a deficit? How can there still be a national debt? And yet, despite all the accounting tricks which the Minister of Finance has used, the deficit remains above \$30 billion a year.

Since this Tory Government came into office, our national debt has risen by as much as 40 per cent, in spite of all the tax increases. If the Prime Minister (Mr. Mulroney), together with his Cabinet and other Conservative Members, thinks that with this legislation brought in before an election, Canadians will forget about these tax increases, I have news for him, Madam Speaker. He will realize that Canadians have not forgotten and we will make sure they do not forget that Mrs. Denis insisted on saying: You deceived us, Charlie Brown, and we will not forget it. Canadians will certainly not forget it, Madam Speaker.

When I consider the tax reform which was supposed to create an equitable system where everybody would be treated fairly—what do I find? That the Government will carry out this tax reform in two stages. During the first stage where small adjustments were made in an effort to convince Canadians with a few goodies before an election, to forgive its major tax increases of the past four years. But even that has failed.

Take the case of a major industry: small businesses. Everybody agrees that this industry is responsible for creating most jobs. Small and medium size businesses have created between 75 and 80 per cent of our new jobs. That is great! The Government should encourage our businessmen. How should it go about it? Except for the programs which it has implemented, even in the tax area, it should have favoured these people with a lower tax rate. But it did the opposite! The only industry which will be faced with a tax increase under the tax reform is the small manufacturing industry. Once this tax reform is implemented how do you think manufacturers will be able to compete with U.S. manufacturers within the framework of the Mulroney-Reagan Agreement? How do you think our small businesses will be able to compete with this 2 per cent tax increase? How will they be able to compete? Is this how they will make the U.S. market accessible to our business corporations? The first thing they do, even before the free trade agreement is implemented, is to increase the tax rate. The only initiative put forward by this Tory Government for small businesses was indeed to increase the tax rate.

Still in the area of tax reform, Madam Speaker, we find that the second stage is somewhat forgotten or put aside—they are negotiating with provinces, they are referring to multiple, value added tax, a national federal sales tax, negotiations are going on, but all this takes time. In the meantime, he suggests they have to find new taxes. Before the process is completed taxes must be raised. And all of a sudden he creates a new tax, without implementing or completing tax reform. Because we do not yet know where we are going with the sales tax and tax reform. Everything is put into question.