

Excise Tax Act

away at what past Liberal Governments have done and the general tax propositions of the current Government. However, it is also transparently obvious to taxpayers that the NDP wants to have it both ways. They cannot because they have to be consistent in their tax policy.

Also on the question of consistency, there is one inconsistent spokesperson for the Government whose public statements boggle the mind. I refer to the Prime Minister (Mr. Mulroney). On November 29, 1984, he said that Canadians pay a good deal of money for government services and feel they are already paying quite enough. Both he and the Minister of Finance (Mr. Wilson) campaigned on a promise that they would not raise taxes. Here is a direct quote from the Minister of Finance on March 6, 1984: "We will reduce spending. We will refrain from increasing taxes which are already too high." Instead, we have a Government which has increased taxes in probably the largest amount of any government in the history of Canada.

In January, 1988, the Government imposed a 10 per cent tax on telecommunication services, that is, the telephone. We have already heard the very articulate Member for Glengarry—Prescott—Russell (Mr. Boudria) point out how inconsistent that tax measure is because it penalizes in particular those Canadians who must, by virtue of where they live, use long-distance to communicate with family, friends, doctors and others. It is basically their lifeline to the community. Yet the Government implements a 10 per cent tax on telecommunication services.

We had an increase on tax on telecommunication programming services; an increase in the sales tax on paint and wallpaper products, and acceleration of federal sales and excise tax remittances, a scam which was just referred to by my colleague, the Hon. Member for York South—Weston (Mr. Nunziata).

The Minister of Finance stands in his place and says the Government is paying down the deficit. What it is doing is robbing the cash flow of small Canadian companies already living on the edge, scratching by their fingernails for mere existence. Instead of being able to collect their receivables and pay their payables, in many cases they have to pay the Government before they even receive it themselves. This accelerated payment is actually costing hundreds of millions of dollars in lost cash flow for small Canadian businesses, which are the life-blood of this country. It is not the large corporations which have created jobs in the 1980s. It has been the small businesses, in particular those started by women. Those businesses are being gouged by a Minister of Finance who claims he is paying down the deficit when in fact he is merely speeding up the collection process which robs the cash flow which is so crucial to the life of many small businesses.

We also see further increases in excise taxes on tobacco products, beer, spirits and wine. There is an air transportation levy. That tax discriminates against northerners and those who, by virtue of their distance from major centres, have to use

air transportation to visit hospitals or doctors. There is an increase in the excise tax on gasoline and aviation fuel.

The amount of money the Government has raised in tax measures over its years in office is unbelievable. There has been a 46 per cent tax increase from 1984 to 1989. If you take into account personal income tax increases amounting to 55 per cent, a 77 per cent increase in sales and excise taxes which the Minister stated were job killers, and an increase of 16 per cent in other taxes, the total increase is 46 per cent from a Government which promised no tax increases.

Who is paying these taxes? Is it wealthy Canadians who are in the best position to pay? My Leader pointed out only a few days ago in the House that the only group who seemed to be getting a break by way of a reduction in tax burden are those earning over \$100,000 a year. The Minister of Finance wants to slap a tax on people earning \$15,000 a year and less, but he does not mind giving out \$500,000 in capital gains exemptions. That was reduced finally to \$100,000 in the last Budget, but it is an indication of government priorities. He is prepared to tell a single parent earning \$15,000 a year that he or she should pay taxes, yet if you happen to be in the top 2 per cent of income earners you can have a \$500,000 capital gains exemption. Most people in my riding do not even know what a capital gain is. Yet the top 2 per cent are getting a \$500,000 tax write-off from a Government which claims it is not going to increase taxes. Well, it did not increase taxes for that group, but for most Canadians the effect of the Government's tax policies has been a double whammy.

The 77 per cent increase in sales and excise taxes in particular is damaging to those with low and moderate incomes. That is obvious. If I happen to be earning \$70,000 a year and a waitress in my community happens to be earning \$17,000 a year and we both decide to wallpaper our living room, the cost in excess taxes to that person is going to be the same as it is for me. Is that fair?

• (1610)

I submit that when the Minister of Finance said that sales and excise taxes were the silent killers of jobs, he was in fact speaking the truth and that, unfortunately, in his quest to help wealthy Canadians get richer by applying the capital gains exemptions, in his quest to show on paper that he is reducing the deficit, he has decided to penalize Canadians who are in the weakest position to fight back, those being, in particular, low and middle-income Canadians.

Many people in my own riding who have just filed their income tax were shocked and have written to me. They did not realize that over the tenure of the Government, the last four years, the Government has been silently chipping away at their earning power. They were surprised and shocked, when the time came to pay their income tax, to find that their tax bill was up to \$1500 more than what it had been under previous Liberal Governments.