

*Government Orders*

goods versus imported goods. The following points should be considered before we proceed any further with this bill: first, it is patently unfair to make this move since it benefits one manufacturer and discriminates against others. It therefore puts the government in the position of helping one manufacturer over others. Second, it is in effect for only one year, assuming that the goods and services tax is in fact enacted by this House and implemented as of January 1, 1991, which we have all read about in the newspapers.

• (1830)

Likely, therefore, the legal problems for the government and the industry during this year will just compound the difficulties to be faced with preparation for the implementation of GST. Next, the financial return to the government, as I understand it, is insignificant. Finally, finance has apparently elected not to provide in the bill a definition of laundry detergent but has decided to leave that matter up to Revenue Canada to administer.

The proposal moreover has the appearance of being politically motivated rather than being a fiscal proposal consistent with other fiscal measures. For these reasons, I move the following amendment to the motion which is before us:

That the motion be amended by striking out all of the words after the word "that" and substituting the following:

"Bill C-20, an Act to amend the Excise Tax Act and the Excise Act be not now read a third time, but that it be referred back to a legislative committee for reconsideration of Clause 8 (1)."

**The Acting Speaker (Mrs. Sparrow):** Debate is on the amendment. The hon. member for The Battlefords—Meadow Lake.

**Mr. Len Taylor (The Battlefords—Meadow Lake):** Madam Speaker, I appreciate the opportunity to be able to rise today and speak to the motion before us. Essentially the essence of the bill is the increase in excise tax. As we know, every Conservative budget since 1984 has made plentiful use of the consumption tax and used increases as a source of new revenue. We, the New Democratic Party, have estimated that the Conservatives have added more than \$900 to the tax burden of the

average Canadian family between the years 1984 and 1988 through increases to the sales and excise tax alone.

In addition, a central tentative tax reform has been to further increase the role that consumption taxes play in our system over all. The 1989 budget contributed significantly to this trend and the move toward the implementation of the goods and services tax continues that contribution. First of all, the Conservative government increased the federal manufacturers' sales tax on assorted items on many occasions through this period of time. As we have heard expressed in this House on numerous occasions and as I have heard expressed in my own constituency during public hearings that I held, this government came into power in 1984 with a manufacturers' sales tax at 9 per cent. That manufacturers' sales tax has been increased a number of times to the point where it was at 12 per cent prior to the introduction of the bill that is in front of us today.

This bill, despite all of the words the Minister of Finance has used to describe the manufacturers' sales tax, killer of jobs being the most prevalent that he has used, despite all of these things that manufacturers' sales tax is being increased in this bill from 12 per cent to 13.5 per cent. It is a bad tax being compounded by being increased to further add to the costs of our manufacturers and of our consumers.

The other changes that are proposed in this legislation that is in front of us are an increase in the sales tax on construction materials and equipment for buildings from 8 per cent to 9 per cent beginning January 1, 1990; an increase in sales tax on alcoholic beverages and tobacco products from 18 per cent to 19 per cent, already begun the day after the budget was presented on April 28, 1989; an increase in the sales tax on telecommunications and programming services from 10 per cent to 11 per cent beginning on June 1, 1989; and an increase in the sales tax on all other goods, the manufacturers' sales tax that I referred to goes from 12 to 13.5 per cent which began on June 1, 1989. Despite this legislation still being in front of us, that increase has been implemented already.

I think that this has to be taken in an over-all context as we look at what is happening to our economy as a whole and the various pieces and how they fit into it. This government has been attacking the consumer and