

degrees and impose the regressive sales tax increase which it had argued against so vigorously.

It is that kind of behaviour which encourages many people in Canada to have doubts about the integrity of the new Government. It said that it would not increase the sales tax one month, and a few weeks later it did exactly what it had argued against. It is encouraging the people of Canada to wonder, when they hear the Leader of the Government of Canada stand in his place and say the Government will do this, or a certain Minister stand and say the Government will try that, why they should believe the Government today when it has gone against the very concerns and points which were raised a few weeks ago.

I feel badly. I appreciate the argument which members of the Government make when they say that an environment of confidence must be created for the future, and that we must encourage people to be hopeful and positive about what the future will bring. But when the Government says one thing one day and does something totally opposite the next day, it is no wonder that people across the country are wondering whether they can take what the new Government says as the truth.

This legislation will take in excess of \$2 billion out of the pockets of consumers over the next four years. That means there will not be \$2 billion circulating in the communities of Canada. When a dollar bill leaves the pocket of a consumer and ends up in Ottawa, it is a dollar bill which does not circulate, week after week, month after month, in the rural areas of Canada and in the large cities and small towns of Canada. What that means is that that dollar bill will not circulate and assist small businesses. It will not be there to encourage and support small retailers in Canadian communities.

● (1120)

The amount of \$2.4 billion is a lot of money to take out of the economy over a four-year period, especially during this very critical and fragile time. But this is what this Bill does, Mr. Speaker. That is one reason we feel an obligation to oppose it. We feel an obligation to stand in our places and speak against this Bill because it is not in the best interests of economic recovery, economic development and job creation in our country.

There is as well, of course, a tax now being imposed on telecommunications cable companies in the country. It is called a telecommunications programming services tax. A lot of independent cable operators across the country, economic conditions being what they are, are operating very close to, or on the verge of, bankruptcy and now they hear the news that the Government is going to impose additional taxes on television cable rentals.

One has to wonder, Mr. Speaker, if the right step towards economic recovery is to raise taxes on a variety of businesses as well as on individuals. President Reagan felt that it was not the step to take in that country and he has chopped taxes all throughout the system. One can argue about how and where he chopped those taxes but nevertheless he said: "To have

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economic recovery in the United States of America, we must reduce taxes". This Government believes that to have economic recovery in Canada we must increase taxation of all people, particularly the poorest people in this country. An increase in the federal sales tax, Mr. Speaker, in fact raises taxes disproportionately on the poor of Canada. We in this Party do not feel that is right. We do not believe it is fair and it is certainly not in the best interests of economic recovery.

There is an up side to this Bill as well, Mr. Speaker. It is one very important part of the Bill about which we feel strongly. My colleague, the Hon. Member for Skeena (Mr. Fulton), has been lobbying the Government for months and months now to bring some relief to the hard-pressed loggers, fishermen and farmers in his community. Other Hon. Members have tried to point out that these people are undergoing particularly difficult times and that one of the steps the Government could take is to remove the sales tax on diesel fuel for fishermen, loggers, miners and farmers. This section of the Bill is a step in that direction. We applaud the fact that this measure will remove the sales tax on diesel fuel sold to the groups I have just named as long as it is not resold, of course, for commercial purposes. We have been calling for this type of tax measure for some time as a type of tax measure which will result in increased economic activity in those sectors, which will give those particular sectors a boost during these difficult economic times.

On the other hand, Mr. Speaker, this Bill now slaps an extra tax on domestic air transportation. We are the second largest country in the world and air transportation plays a very critical role in economic development for the various regions of Canada. I see the Hon. Member for Western Arctic (Mr. Nickerson) is here today. I appreciate his concern about this matter. I wonder how he feels about increasing the domestic air transportation tax. I wonder how this is going to assist economic development in the Arctic and the more remote regions of Canada. I have received many representations from people from central and northern British Columbia who have attempted to point out again that these small airline companies assist in the economic development of the northern interior parts of Canada and that imposing additional taxes on domestic air travel is not going to be in the best interests of assisting those particular sectors.

● (1125)

The total cost, Mr. Speaker, of these measures, excluding the lost revenue from the removal of the sales tax on farm fuels, which we support, will be \$3.1 billion for the years 1984-1988. The fact that \$3.1 billion is now being taken out of consumers' pockets is something we have a difficult time supporting. As a matter of fact, we cannot support it in all good conscience. It is important that we recognize that in this Bill the new Government is really bringing forward and implementing Liberal legislation. It goes back to the Budget of 1983, and we must recognize that as we listen to our colleagues in the Liberal Party. It has some important additions, particularly assisting those in the mining, logging, fishing and farming businesses, but we have also to recognize that the