

Excise Tax Act

Governor of the Bank of Canada, will flip out and say that now is the time to increase interest rates substantially.

Not only is the Government going to hit consumers with \$710 worth of sales and excise taxes, and on New Year's Day hit them with another 9 per cent sales tax across the board for another \$1,000 out of the pockets of every family in Canada, the Governor of the Bank of Canada will surprise Canadians by jacking up interest rates immediately to curtail any increase in inflation.

Canadians cannot and will not take it any more. There is a limit. Canadians will no longer stand for it because of the discrimination in our tax system. They know that while Bill C-20 will result in many additional taxes for them other people will pay nothing.

I hope my hon. friends across the way will stand in their places during this debate and explain why they think this is a good idea. I hope they can explain how ordinary families can be taxed, while companies like Hees International, Cadillac Fairview, Alcan Aluminium, and Brascan do not pay any taxes in many years.

I ask my hon. friends opposite to explain the benefits of this policy and to explain why they believe an increase in these taxes at this time is a good idea when the Government at the same time is dismantling the Canadian economy as part of the trade deal.

The construction aspect of these tax increases is particularly interesting. I had an opportunity to speak to the Interior Construction Association in British Columbia about what it thought of this recent government initiative. I asked whether it thought an increase in the tax on construction materials made much sense.

I was rather astounded by the association's response that it had been to Ottawa to talk to some of the cabinet Ministers about this construction tax and thought it was told that the Government would actually eliminate the tax on construction materials. It is not surprising that it was before November 21 that the Government informed the association that it would actually eliminate tax on construction material.

The elimination of such a tax would make much sense in terms of kick starting the construction industry into high gear, to say nothing of what it would do for the forest industry in light of the additional home construction across the country. That too would have incredible spin-off for job creation, investment, and economic development.

Not only did the Government not eliminate the tax on construction material, it decided to increase it, to the disbelief of the construction industry.

I will not say that the industry was misled or misinformed, because that would be too obvious. However, it is perplexed at how the Government thinks this will help the economy or generate additional economic activity and revenue to the Treasury.

Perhaps I have said enough for the moment on this matter of taxes. The Bill we are debating represents an unprecedented tax grab. This debate will be the acid test to see whom Members represent in the House. While I do not know about members of the Liberal Party I assume they will oppose this measure.

Mr. Milliken: We have already said we will.

Mr. Riis: I have not heard members on the government side say that they will represent their constituents this time as opposed to supporting a Minister of Finance who should not be there. Every financial writer in the country I know has said he should not be the Minister of Finance, but the Minister does not listen and simply stumbles ahead.

This is a test to see whether Conservative Members opposite represent the construction industry in their constituencies. If they do, they will surely not suggest that an increase in tax on construction materials will be appropriate.

Will they represent ordinary working families? If so, I do not think ordinary working families want to see an increase of \$1,700 a year on an already incredibly high tax burden that is weighing them down. Do Hon. Members want an inflationary factor introduced with the introduction of a new sales tax? If they really want to hold down inflation in an effort to keep interest rates down, they will vote against this Bill.

Let me return to the whole matter of the legitimacy of this initiative in the first place. The Minister of Finance said that the federal sales tax he would introduce will be revenue neutral. Subsequently he said that it would really generate a whopping \$23.5 billion a year in revenue.