

Excise Tax Act

with will not be presented before the next election, or the next two elections if the Conservatives, I hope, do not return to power.

The Government said in 1984 that it would not increase taxes, but it has done so.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired. There are questions and comments to follow.

Questions or comments? Debate.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am glad to have the opportunity to address some comments to the Government's Bill to amend the Excise Tax Act and the Excise Act. What we have before us is a pot-pourri of partial measures, quick fixes, limited claw backs, but above all revenue-raising measures which the Government has now put together in one vast portmanteau of legislation.

We are today examining changes arising out of the Budgets of February 18, 1987; February 10, 1988; the June 18th, 1987 White Paper on tax reform; and the December 16 tax reform paper. It is important to state the context in which the Government, rather than introducing measures and policy changes in an orderly fashion and getting them passed in legislation, is saving them up for this sort of Bill where so many changes come at one time that it is almost impossible for opposition speakers to isolate effectively the individual measures to measure their effect on the over-all tax system and tax yield, and of course to critique them effectively. However, that is perhaps what the tax happy Torquemadas, the excise extortioners of the Tory Ministry of Finance, want to see.

I am somewhat reminded of the petition given to James VI after he became James I of England in which it was stated that monopolies sit in our seats, sleep in our beds, sup in our cups. Thus it is with these excise taxes with their pervasive and deleterious effect throughout the Canadian economy and their distorting effect on the consumption and purchase patterns of Canadians. What we have here is not a sensible realignment of the tax system as this Bill should be. What we have is not a reform, not an overhaul, not even really a reasonable, minor maintenance program for the excise tax system. Rather, what we have is a wholesale and thorough continuation of some of the principles that even the Minister of Finance (Mr. Wilson) has seen fit to speak out against in the past.

Why is that? It is, of course, to raise revenue. It is of course for the Government's stated goal of deficit reduction, and the revenue raising capacity of some of these commodities with their, to the Tories, unlimited ability to bear additional taxes.

I am reminded of another example or paradigm from the early days of taxation. This concerns the Minister of Finance of Henry VII of England, one Morton. He was known for the instrument called Morton's Fork whereby he would visit a wealthy noble, perhaps, or merchant, and if he was seen to be living modestly and frugally, then he must have accumulated

some reserves which Morton could dip into or appropriate for the purposes of state that his master bade him do. If this merchant or noble was seen to be living lavishly—on a Tory sort of scale, I suppose—Morton said that his consumption was excessive, that he was obviously a person of manifest and evident wealth and was therefore able to contribute handsomely to the coffers of the king.

● (1250)

The point that I want to make, of course, is not that taxation is carried on in that way nowadays, although the long-suffering taxpayer may often feel that this is the case, but rather that the key to understanding this is to identify whom Morton went to visit. We see some unhappy similarities between whom Morton went to visit and whom the Tories went to visit because, naturally, there were those whose position or status kept them above even Morton's attention. Similarly, there are those whose status or wealth keeps them above the attention of the Tory Minister of Finance.

It is worth-while reiterating who they are, Mr. Speaker. Above all, of course, are the corporations, the chief sponsors and, in spite of any resolutions that might be passed, the chief financiers of the Tory Party, namely, profitable corporations. Last year, 60,000 profitable corporations in Canada did not pay tax. It is partly because of the failure of the Minister of Finance to bring in tax for them that we are forced to spend the time of the House reviewing this smorgasbord of legislative measures to raise that same amount of tax by slicing and dicing the consumer and the taxpayer.

Another class which Morton did not visit and the present Government does not visit is the wealthy. Tory tax policy, as implemented in Budgets and legislation, has led to some very handsome tax breaks for the wealthiest Canadians, those who have the highest personal incomes, notwithstanding the rather feeble attempt that the Minister of Finance made to adapt the policy and the platform of the New Democratic Party by bringing in an alternative minimum tax rate.

Whom does this latter day Morton visit, Mr. Speaker? He visits the middle classes and, increasingly, he visits the poor. That is where the Government is looking to raise the revenues which it sees as essential for reduction of the deficit.

The Tories have said that the reduction in expenditures is the over-all priority, but this sort of tax mining of the middle class and, increasingly, the poor, characterizes the approach. It is like the frog in the well. They get that expenditure down one notch, but in the meantime they are bumping up the tax side of the ledger by a couple of notches.

There are some revenue-raising items in this Bill which impact very seriously on Canadians, and inequitably upon some. With regard to the 10 per cent tax on telecommunication services, my hon. colleague, the Member for Regina East (Mr. de Jong), pointed out that if you live in an isolated community a far higher percentage of your telephone calls are likely to be long distance. It seems that in some parts of the