

*Excise Tax Act*

for the average family. The Government put into place a Liberal tax increase which it had opposed when it was in Opposition. How things change when it moved to government. It put in a sales tax increase equivalent to \$150 for the average family, for a total increase in the November 1984 mini budget of \$352.

Then, in May of 1985 it did it again. It eliminated the federal tax reduction on average families. That amounted to \$100. It modified indexing on average families. That amounted to \$115. It cut family allowance payments—a cost of \$22.50 to an average family. It increased the tax on cigarettes and alcohol. That amounted to \$75 extra. It broadened the sales tax, which amounted to \$150 for the average family. It increased the gasoline tax by the equivalent of \$50. That was an increase of \$512.50.

● (1220)

In June, 1985 the Conservatives went at it again with a 1 cent per litre increase in gasoline to pay for indexing the Old Age Security, something the Conservatives have tried to sneak through and eventually were compelled not to do. That was \$50 for the average family. In February, 1986 a surtax of 3 per cent was added which cost the average family \$170. Another sales tax increase, \$150 more for the average family, and an increase on the tax on cigarettes and alcohol amounted to a further \$200. In February, 1986 that was a total of \$340 extra.

I keep on asking: "Is that fair?" What about the fact that at the same time capital gains were exempted from tax? That was not capital gains for farmers or small businesses, but capital gains for people who speculated in the stock market, people who were flipping houses, or people who were investing in condominiums in Florida. Those capital gains were totally and completely tax-free. That is something that did not affect the average Canadian.

In 1987 the Conservatives went back at it again. Gasoline went up again by one cent a litre, which amounted to \$50 for the average family. The sales tax was broadened again, which amounted to \$15 for the average family. Cigarette and air ticket taxes went up by \$35, for a total of some \$80 per family depending on the category. In June, 1987 tax reform brought in a \$300 tax cut for the average family, so my figures are already incorporated in that.

In February, 1988 there was a gasoline tax increase of one cent per litre, worth \$50 for the average family. I do not have the costing, but the 10 per cent on telecommunications services will raise some \$870 million per annum. If that is taken down to perhaps 10 or 11 million families across the country, one is talking about another \$80 or \$90 per family that the Conservatives will collect.

[*Translation*]

I would like to point out, Madam Speaker, that I do not know how many times we New Democrats have tabled in the House our calculations on the tax increases imposed by the Progressive Conservative Party since it took power in 1984.

Madam Speaker, the Government has never denied these estimates. We do not have the exact figures because we do not have the resources of the Department of Finance or of National Revenue, but we tabled them in the House many times. And the Government has never denied these figures showing that for an average family with an annual income of, say, \$35,000, the tax increases over three and a half years now amount to some \$1,400 a year. And now tax reform provides a temporary tax reduction of \$310 a year for this family with a \$35,000 income.

Madam Speaker, on average, this means an increase of around \$1,100 a year for the average family with an annual income of \$35,000. And I wonder whether this is really fair. Why, when I met my constituents in recent weeks, going door to door in my riding, do they all comment that they pay more and more every year on their tax return, that every year when they file their tax return, they have to pay more? The reason for that is deindexation and the tax system imposed by the Conservatives. The reason is the income tax increases imposed on average families by the Conservatives. The reason people's real income and purchasing power is going down is that the Conservatives have imposed tax upon tax upon tax, so much so that people are less well off, less able to afford the necessities of life and even the small luxuries that they could afford previously, because of what this Government has done.

[*English*]

I raise these matters at this point when we are talking about Bill C-117. A number of the details have been discussed at second reading and during the course of committee stage and report stage of this particular Bill. However, I wish to raise one specific question that particularly affects Canadians in northern Canada. As a member of the finance committee, I wish to say how disappointed I am that the Progressive Conservatives were so unfeeling and unfair when it came to northern Canadians and the particular problems that they face under this new telecommunications tax.

If one lives in the North and wishes to keep in touch with neighbours, let alone with people in southern Canada, one inevitably has to make long-distance telephone calls a great deal. A person living in the North can easily have a long-distance telephone bill of \$75 to \$150 per month. That 10 per cent tax will apply to all those long-distance charges. Whereas a person living in Ottawa can communicate by telephone with one million people without paying any of this tax because it is all a local charge, people who live in the Holman Islands, people who live in the Mackenzie Valley or in other remote communities, cannot do that.

The finance committee strongly urged that there be a cap on the tax on residential telephone subscribers of \$3 per month. In other words, if a long-distance telephone bill exceeded \$30 a month, no extra tax would be required to be paid. That would have been fair to people who live in isolated communities and have unduly high long-distance telephone charges because of