

Excise Tax Act

Party had in two of its previous Budgets but had never been given the opportunity to enact into legislation.

Although it may surprise some, it does not surprise me that the Government has chosen to accept the direction which was taken continuously over the last number of years by the Liberals in office. I am somewhat dismayed by the reversal of the Government from the position it took when in opposition. I never cease to be amazed, when people move across the floor of the House, at how they can find some justification for approving actions which they previously condemned as unnecessary or even harmful to the over-all economy of the country.

How well I remember the days prior to the last election while the House was still sitting. Conservative Members rose to point out how the additional \$1 billion cost, which the increase in the federal sales tax would result in, would be disastrous to the economy of Canada. I am sure my Liberal colleagues remember Conservative Party Members saying that when they sat on this side of the House. They castigated the Government for imposing this additional burden at a time when the economy was so fragile. They told the Government that it would do nothing other than result in further unemployment. They told the Government that it would do nothing other than reduce the purchasing power of the majority of consuming Canadians and therefore would in turn result in a decrease in the necessity for manufacturing consumer goods. They said that the end result of all this would be that with the \$1 billion—and that is only part of this Bill—which flowed from the excise tax increases we would continue to create within Canadian society further unemployment and a further downturn in the utilization of manufacturing potential and capacity. Also they said that we would make it even more difficult for hard pressed families in Canada to be able to afford to purchase what they must have in order to provide for themselves and to keep the economy healthy and growing.

I took those words to heart. After all, I thought that with the vast resources of the Conservative Party, it would have conducted the necessary research to justify the suggestions it was making. I checked it out with my own research and asked: "Are the Conservatives right; is this what will happen?" We looked at it. We analyzed it. We did a breakdown of it to see what would be the consequences of the imposition of this additional tax. Lo and behold, we came to the conclusion, just as the Conservatives said, that it was regressive, unnecessary and undesirable and, just as they said, that it would create further unemployment, and undermine an already fragile recovery which we hoped was taking place. We found, just as they had said, that in fact they were correct.

● (1410)

I had hoped that having put forth that argument, Conservative Members would stay true to that in which they appeared to believe. I had hoped that when in office they would be prepared to rescind these kinds of measures and take into account what they themselves had been foisting upon Parliament and the public of Canada as conclusive evidence of the

inadequacy and inadvisability of this legislation. But no, Mr. Speaker. They nip across the floor of the House after the election, get themselves comfortably seated for three or four days and then do an immediate about-face.

The implementation date for the imposition of the additional tax was upon us in September and the first question put to the Prime Minister (Mr. Mulroney) and then subsequently to the Minister of Finance (Mr. Wilson) was: "Are you going to rescind that tax? Are you going to withdraw those provisions?" The immediate answer was: "Well, we are going to consider it", followed very quickly by a statement indicating that the Government intended to allow the tax increase to take place and intended to allow this additional \$1 billion burden to be placed on the backs of the consumers of Canada. It intended to run all of the risks with the economy that it had indicated were the risks the previous administration had intended to run. In fact, government Members were going to endorse the very thing that they had said was going to be extremely harmful.

If someone were to do that in private life, people would lose confidence with that person. People would have no confidence in his or her capacity to make decisions. If it was done only once, perhaps people would overlook it and would try to find some good reason for what had been done. However, this is the second time in this Parliament that what Members of the Conservative Party had held as a principle is to be broken. What the Conservative Party had put forward as an absolute position will be reversed. It worries me to see a Party that is so desperate for power that its Members will say anything any time notwithstanding whether or not they are prepared to implement or stand behind those statements.

Conservative Members are bringing forward during the course of this debate and are implementing at the end of this debate Liberal legislation. It has minor modifications that can be touched upon, but on balance this is Liberal legislation. All of the experts have said that the sales tax is a regressive tax. It requires of everyone who is affected by it that they pay the same amount notwithstanding their income capabilities. Notwithstanding their capacity to earn, they pay the same amount. It matters not what their income levels are. If they must buy the product, they pay the same sales tax whether they are millionaires or are living off welfare. It is in fact a regressive measure and it is certainly less progressive than many other options that are open to the Government for trying to raise necessary capital.

This Bill is of an omnibus nature and I use the word "omnibus" in the broadest possible sense. I am not arguing that it is an omnibus Bill. However, it contains a series of measures. Through that series of measures, this Bill extracts from the economy \$4.4 billion. The economy cannot afford to have \$4.4 billion worth of purchasing power removed at this point in time and still expect to have a recovery. If \$4.4 billion is taken out of the consumer market-place and put into the coffers of the Government, that means in actual fact that that many fewer dollars can be used to purchase the products that are being manufactured or could be manufactured by those