

Excise Tax Act

The objective of Bill C-117 is to implement numerous sales and excise tax increases the Government announced in the Budget of February 18, 1987, also in the tax reform of June 18, 1987 and, finally December 16, 1987 in the most recent Budget of February 10, 1988. It is therefore because of those four Government measures that we now have before us a Bill that seeks to raise present taxes and give effect to the budgets or so-called economic statements the Government presented in the last year.

Mr. Speaker, I could detail those tax measures and tell you the 12 per cent tax the February 1987 Budget imposed on candy, snacks and ice cream as of July 1, 1987 has brought in \$60 million in revenue and will bring in an estimated \$80 million more in 1988-89. The same February 1987 Budget slapped a 4 per cent tax on cigarettes and tobacco that yielded \$70 million in 1987-88 and will yield an estimated \$77 million in 1988-89.

● (1230)

The air transportation tax was increased by \$4 per ticket: \$45 million in 1987-88 and \$50 million in 1988-89; the sales tax on leaded and unleaded gasoline was equalized as of April 1, 1987, resulting in revenues of \$30 million in 1987-88 and \$30 million in 1988-89.

Mr. Speaker, as I said earlier, we had the tax reform in June and December 1987, when a 10 per cent tax was added to long-distance calls and the tax on cable TV was increased from 8 per cent to 10 per cent. As of January 1, 1988, this tax will raise \$877 million in fiscal 1988-89.

As was stated by a number of my colleagues in this House, the tax on long-distance calls is unfair because it mainly affects people who live in rural areas. The tax on cable TV is unfair to people on medium and low-incomes for whom this may be the only kind of entertainment they can afford. And now the tax on cable TV is being increased from 8 to 10 per cent. There is also an increase from 8 to 12 per cent on paint and wallpaper, which will raise \$60 million in 1988-89. The accelerated remittance of sales and excise tax, which will become effective in April 1988, will raise \$1.6 billion. Another increase in the excise tax on alcohol and tobacco from 15 per cent to 18 per cent will raise \$175 million.

The 1988 Budget brought down on February 10 brought us a one cent per litre increase in the excise tax on gasoline. This will raise an additional \$225 million in 1988-89.

Mr. Speaker, what I don't like about sales tax, and I think many Members will agree, is that it is applied indiscriminately. The rich pay and the poor pay. They all pay the same amount because this tax is collected on a transaction, and no matter what your income is, the tax remains the same. That is why it is regressive, unlike the tax tables which are progressive, in other words, the more you earn the higher your income tax.

As I said earlier, this Bill implements certain statements made in the House and certain Budget proposals, but for some reason the Government has put off presenting this Bill until today. Mr. Speaker, it is not unusual for the Government to delay such a Bill. It has made a habit of bringing in Bills that

affect all Canadians and increase taxes just before the House adjourns for Christmas, Easter or for the summer.

Mr. Speaker, we must remember that the same Government, the same Prime Minister (Mr. Mulroney) and the same Minister of Finance (Mr. Wilson) promised not to raise taxes. And we do remember. This is not new.

I want to quote from *Hansard* of March 6, 1984, two statements made by the Minister of Finance:

We would cut spending. We would not raise taxes. Tax levels in Canada are already too high.

But that is what he did, he made the load heavier still, not by taxing the rich and the 60,000 Canadian companies which do not carry what I consider their fair share of the tax burden, but by taxing low- and middle-income Canadians.

Here is a statement made by the leader of that Party, the Prime Minister of Canada, and reproduced in *Le Devoir* of November 29, 1984. I am quoting: "Canadians pay a fair amount of money for government services, and they have the impression they are paying enough". Quite true. The Prime Minister was right. As individuals we pay enough taxes. Perhaps he might practice what he preaches and tax his friends, those rich people who do not pay their fair share.

Since the Conservatives took over, Mr. Speaker, revenues from indirect taxes, sales taxes, excise taxes, went up much more sharply than those produced by direct taxes. Revenues from sales and excise taxes jumped by 77 per cent between 1984-85 and 1988-89, while personal income taxes rose by 55 per cent since this Government was elected, as compared with only 28 per cent for corporations and rich people. Through personal income taxes, sales taxes and excise taxes, individual Canadians rather than corporations had to shoulder most of the added burden.

Again, Mr. Speaker, for your enlightenment I could sum up the table I have here which shows the load Canadians have had to carry since September 1984: indirect taxes, higher sales tax from 9 to 10 per cent on October 1, 1984, from 10 to 11 per cent in January 1986, and from 11 to 12 per cent in April 1986. And each time it meant an additional \$1 billion in the public purse, \$1 billion more from hidden, regressive and unfair taxes.

I have here a list, which could be of interest to Conservative Members, concerning increases in the excise tax on gas: for example, 2 cents a litre on September 23, 1985 generating \$900 million in revenue; 1 cent a litre on January 1, 1987—\$450 million; 1 cent a litre on February 19, 1987—another \$450 million. And, on April Fools' Day, we will get another increase of 1 cent a litre—\$300 million in revenue, for a total increase of 23 cents on a gallon of gas in Canada since they came to power.

Mr. Speaker, their avowed objective is to tax the poorer people in order to get the large sums of money they cannot or do not want to get honestly in a progressive, open and fair manner. There is also the 10 per cent tax on long distance calls and cable television services. The Hon. Minister should rise on that subject and explain how those young people . . .