

Excise Tax Act

a means within Parliament to indicate that we are dissatisfied with a particular piece of legislation and with the way the Government is proceeding.

What does Bill C-117 do? The main thing it does is perpetuate the federal sales tax. It puts a number of modest patches on it. It increases the gasoline tax by one cent, and it imposes new taxes, particularly the 10 per cent telecommunications tax.

Had I been able to raise the issue with my colleague from the Yukon, I would have been able to get more precise information from her about the impact of the Government's refusal to listen to the finance committee which recommended that there should be a cap on any telecommunications tax. This cap would take into consideration the problems of people in Canada's North whose telecommunications are almost all long distance and for whom, therefore, a limitless telecommunications tax represents a very major burden indeed. Northerners can have long distance bills of up to \$100 or more a month because they have no other means of communicating. The committee suggested, unanimously I believe, that there should be a cap of \$3 a month on this particular tax, bearing in mind in particular the problems of residential subscribers and people living in Canada's North. That was ignored.

● (1610)

The basic question in looking at any tax proposal by a Conservative Government in power since 1984, and which mercifully I think will not be in power after the next election, is: Has the Government been fair? Has it been open and honest in the way it dealt with the tax system and average Canadians? The answer to those questions is no.

For example, the Minister of Finance (Mr. Wilson) said that 850,000 people are being taken off the tax rolls. What he forgot to say was that people going off the tax rolls were those people who were paying a very small amount of tax in the beginning, and that since 1984 something over 850,000 Canadians have been added to the tax rolls. In other words, the Government had been adding people to the tax rolls because of the deindexation which has been in force for several years, and it is now turning around and saying it went a little bit too far and is going to take them off the rolls. It is duplicitous to tell average Canadians they are benefiting because some people are going off the tax rolls when it is those same people who in many cases were put on the tax rolls by the Government.

As well, the Government says the average family will get a tax cut of \$200 or \$250 per annum under tax reform which went into force on January 1 this year. That, too, is not being particularly honest or straight with Canadians. What the Government forgets to mention is that since the 1984 election the Conservatives have raised taxes on the average Canadian by something like \$1,300 per annum. That is a lot. Over four years we are talking about \$5,000 in additional taxes on the average Canadian family under a Conservative Government.

I talk about the average Canadian family. There, too, the Government is less than fully open and not very fair when it talks about what it has been doing. If you look at the over-all impact of the Government's changes in taxation you will find one group which actually benefits. I was quite surprised by something that happened when I was speaking to the Canadian Tax Foundation in Montreal the other day. They were appreciative even though they were listening to a democratic socialist. It was a very interesting experience to speak to them. However, at one point I raised my voice in a certain amount of anger and concern over the fact that the average taxpayer earning over \$100,000, or most of them, was going to get a tax cut of some \$4,365. I suggested there was grounds for indignation over that. Much to my surprise, the room erupted in a round of applause for Michael Wilson and the tax cut for the tax accountants and tax lawyers and people like that making over \$100,000 a year. They were applauding where their interests lay.

As much as I have respect for the professional capacity of people in the tax field and look forward to working with them from the government side rather than the opposition side some time in the near future, I have to say that they are not by any stretch of the imagination average Canadians. They are well-paid Canadians. They are well paid for their capacity to, among other things, steer corporations and wealthy individuals away from having to pay as much tax as was originally intended in this Parliament.

Another example of where the Government is not being particularly fair in the information it has given to average Canadians relates to the question of the Canada-U.S. trade agreement. We have been told about all the wonderful things that are going to happen there in job creation and those kinds of things. However, we are not told whether or not Canadians are going to have to pay anything for that deal. Yet in the Budget that came down on February 11 the Government brought in an increase in the gasoline sales tax which, lo and behold, over the next two years will be just about equivalent to the reduction in revenues anticipated by the Government because of the decline in tariffs in the first year or so of the Canada-U.S. trade agreement. That decline is in the order of some \$515 million over the first two years; \$55 million in 1988-89, and \$460 million in 1989-90.

We are assured from time to time by government Members that there is no such thing as a free lunch. As a matter of fact, this is a real loss of revenue because we will not be getting revenue from tariffs on those items coming here from the U.S. There may also be losses from tariff revenues on imports from other countries if this trade agreement concentrates trade between our two countries at the expense of trade with the rest of the world.

The interesting thing is that in the first year the new one cent a litre gasoline tax which, I remind my colleagues, is already in force despite the fact it has not been enacted, will bring in \$275 million. In the second year it will bring in \$300 million. That adds up to a total of \$575 million. That means