

*Government Orders*

excise tax, making it 13.5 per cent. It was 9 per cent in the beginning, as I said awhile ago.

Being the objective person that you are, Mr. Speaker, you will no doubt be very upset, as I am, to see that the government is doing this. The government, for instance, is telling us that the proposed tax of 9 per cent will be much fairer. Right, the tax will be much fairer. We have a 13.5 per cent tax now, which is unfair according to the minister, but that 13.5 per cent unfair tax is only really 7 per cent at the retail level. We are going to take taxation at 7 per cent at the retail level and increase it to 9 per cent with the proposed goods and services tax and that is supposed to make it better. Well I have some difficulty understanding how any of this will be better.

Bill C-20, that we are discussing today also proposes to entrench the fact that we now have an 11 per cent tax on telecommunications services and programs.

I represent a rural constituency and I am sure you are familiar with my riding as you drive through it coming from your own constituency to Ottawa. I am sure that you have noted, Mr. Speaker, that the riding that I represent is rural. In this rural riding, a tax on telecommunications services is a tax on an essential service.

The government has said that there is no problem because distance rates. I ask you, if you live in a rural area the basic telephone rate is about \$6 a month; it is the long distance rates that are expensive and the people have to phone long distance to their doctors, the hospitals, the ambulances and everything else. I can tell that you agree with me about how unfortunate and how unfair the taxes are, Madam Speaker.

The tax on alcoholic beverages is increased from 18 per cent to 19 per cent. That is enough to drive someone to drink, I tell you. Those sin taxes are included in this bill and I suppose it is fashionable to accept that there is always a certain measure of increase in those so-called sin taxes in every budget, but we should remember that just as it is easier to tax those sin items, cigarettes and alcohol and so forth, we should remember that the taxing of any item has an inflationary impact, no matter how you cut it.

There are a number of other items which I feel are particularly objectionable in this bill and I want to urge all my colleagues on both sides of the House to vote

against this bill. One of these measures which is particularly objectionable is the increase from 8 per cent to 9 per cent on the tax on construction materials.

There is an acute housing shortage in this country and we have been bringing this to the attention of the minister responsible for housing—and I use the word “responsible” loosely—questioning about what measures the government can undertake to make housing more affordable, particularly in large downtown areas. The government stands there pretending to be interested, sometimes announcing a grant to assist in building, I do not know, 50 homes in Toronto or something. I am sure it helps, every little bit helps, but the real assistance, surely, is to organize our taxation in such a way that it does not penalize people who want to buy a home. So what do we do to those poor people who are trying to find a place to live? We increase the tax on their houses, the tax on construction materials. Shame on the government.

• (1810 )

I say to the minister that he should rise immediately in the House and withdraw this bill. I know he will not do it. The Minister of Finance just will not bring himself to rise immediately in the House, as I am suggesting.

To make matters even worse for my constituents living in rural Canada who commute to various cities to go to work, this bill will increase the excise tax on gasoline. I remember the Conservatives across the way would complain when they were in opposition, because they said that the previous Liberal government had increased taxes on gasoline. Of course, we remember that most of the increases in the early 1980s were due to increases in the actual price of the product as opposed to increases in taxes, but no matter.

Every budget since this government came to power in 1984, and a sad day it was in 1984 I might add, has increased the excise tax on gasoline. This tax alone, this latest increase, will add \$660 million to the burden my constituents and your constituents, Madam Speaker, and all Canadian citizens have to pay to this government across the way.

I know the bill contains a fuel tax rebate to some primary producers in respect to sales tax on gasoline and highway diesel fuel for off-highway production purposes