

*Business of the House*

gasoline and aviation gasoline by 2 cents per litre effective September 3, 1985. This tax is scheduled to increase to 4.5 cents per litre on January 1, 1987. The 1985 Budget also extended the excise tax to diesel and aviation fuel other than gasoline. Consequently, an excise tax of two cents per litre was placed on diesel and non-gasoline aviation fuel for the first time on September 3, 1985. This tax is also scheduled to increase three cents a litre on January 1, 1987.

Let us take a look at the cumulative effect of the increases in what the tax experts call commodity taxes as a result of the Conservative Budget of February, 1986, a Budget which is intended to be implemented as far as commodity or sales taxes are concerned by Bill C-14 currently before the House.

In 1986 the proposed 1 per cent increase in federal sales tax rates will give the Government \$700 million in additional revenue. In 1987 this tax will increase to \$1.05 billion. In 1988 the amount will increase to \$1.125 billion. In 1989 it will increase to \$1.2 billion and in 1990 to \$1.3 billion. This is hardly tax relief for middle and lower income Canadians. This is a strange way for the Conservatives to be approaching tax reform.

Not too long ago the Minister of Finance (Mr. Wilson) rose in the House and said: "We intend to proceed with tax reform that will lower the burden of taxes on individual taxpayers". He said he would do that by decreasing the personal income tax rates so that individual taxpayers would have more money in their pockets. But what he did not make clear, although he certainly hinted at it in his statement, is that the Government also intends to increase the extent and broaden the base of commodity or sales taxes through a new business transfer tax. If the Conservatives are able to get away with this it means that they will be putting money into the pockets of individual taxpayers with one hand through reductions in personal income tax rates and with the other they will be removing from those pockets that money, along with even more money through increased sales taxes. Call them what you will, Mr. Speaker, commodity taxes, sales taxes or business transfer taxes, we are talking about increases in taxes which will affect particularly middle and lower income Canadians.

If we are interested in fairness in the tax system, surely that must come from a system which says to people that they pay according to their ability to pay and that the burden of taxation on their shoulders will be greater if they have earned more money through their activities in this country and abroad. Fairness in the tax system does not come about by saying to individual Canadians that it does not matter how much money you have, if you have to spend money for the daily necessities of life and if you have to spend most of your income on buying goods and services, which is the case for most Canadians, then you are the one who is going to pay more, you are the one who is going to assume the higher burden. This is what the Conservatives are saying. This is the message they are sending out in Bill C-14. This message was confirmed by what the Minister of Finance said not long ago in the House when he made his statement on tax reform.

One thing that the Minister of Finance did not make a clear statement on was whether the result of the Conservative so-called tax reform would increase the total tax burden on individual Canadians. He had the opportunity to do so but he did not seize that opportunity to make a commitment and to give an undertaking to individual Canadians that Tory tax reform would mean that the total tax burden on individual Canadians would not increase. In fact, he certainly left that likelihood very much open, very much on the Conservative agenda.

If I am not mistaken, I saw a report in the press last weekend which stated that the Minister of State for Finance (Mr. Hockin) when speaking in London admitted that increases in revenue were very likely to come from Conservative tax reform and that keeping the total tax burden at the same level as it is now on individual Canadians was only an objective and that the Conservatives are already gearing up to hit individual Canadians with an additional tax burden. They have already been hit by an unfair additional level of taxation through the last two Conservative Budgets.

Bill C-14 is only a continuation of this massive, unfair tax grab by the Conservatives from the pockets of individual Canadians, particularly middle and lower income Canadians. Members of the Government intend to keep up this tax grab in a sneaky way claiming that they are lowering the burden of taxation through lowering personal income tax rates. At the same time they are sneaking around behind the backs of individual Canadians, putting their hands into their pockets and taking out the money they give them through lower personal tax rates. They are taking even more money through unfair and increased sales taxes, taxes which they may have a new name for, such as the business transfer tax. However, it is still the same thing. It is an unfair and regressive increase in sales taxes. When people go to their dentists, their barbers or their accountants they will have to pay taxes for the first time on transactions that will be subject to tax.

We should be opposing this Bill. We should be sending a clear signal to the Conservative Government on behalf of individual Canadians that they have had enough, they will not take it any more and they are fed up with the increase in tax burden since the Government took office. Individual Canadians want a change. They are only waiting for the opportunity, that cannot come too soon, to get rid of this Government whose sole purpose is to place an unfair burden of taxation on middle and lower income Canadians.

**Some Hon. Members:** Hear, hear!

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**The Acting Speaker (Mr. Paproski):** Before I put the question or call upon the next speaker, I would like to read the following statement.