

Excise Tax Act

[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[English]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed from Monday, March 28, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to the Standing Committee on Finance and Economic Affairs.

Mr. Jack Harris (St. John's East): Mr. Speaker, I am pleased to speak on this Bill today because I think it contains the Government's hidden agenda. We have heard a lot about tax reform from the Government in the last couple of years. This Bill contains a number of what are generally known as regressive tax measures. These tax increases apply to commodities which are important to the growth and development of this country. The Bill contains taxes on items which Canadian families use to redecorate their homes, things such as paint and wallpaper products; there is a 50 per cent increase in the tax from 8 per cent to 12 per cent. These materials are used by Canadians all across the country in various ways.

We also have a tax on telecommunication services, which makes it difficult for Canadians to communicate with one another. It is a particularly regressive tax in a country like Canada with its vast distances and isolation of communities. Canadians, we are told, are among the heaviest users of long-distance telephone services in the world.

In my riding, which I suppose is the smallest of federal ridings in Newfoundland and Labrador, there are communities such as Bell Island which cannot communicate with St. John's, 15 miles away, without paying long-distance charges. The community is isolated because it is an island and because it is served by an inefficient ferry service. The necessity of doing business in St. John's is difficult for the people of that island because they have to pay long-distance charges. Now the Government goes further and taxes that service by 10 per cent.

The Government has also increased the excise tax on gasoline and aviation fuels by one cent a litre. This is only one in a series of increases since 1984. We have seen a 23 cent per gallon increase in the cost of gasoline since the Government came into office, a massive increase by any measure. The

increase is in the taxes that ordinary Canadians are paying regardless of income. The Government has seen fit to collect almost 20 per cent of its federal sales tax revenue through this tax on automotive fuels. It is a regressive tax which does not consider the ability of the individual to pay. This most recent increase alone means that the average Canadian family will pay an extra \$50 in taxes a year.

To go back to the 10 per cent tax on telecommunications, that tax is contrary to a recent ruling by the CRTC which told Bell Canada that Canadians were paying too much for telephone service. It was ordered to reduce its rates. The Government does not have the same sympathy for users of telephones and has added a 10 per cent tax to the cost of service.

The Government, since 1984, has attempted to reduce services and deindex pensions. We have seen a partial deindexation of the marginal tax brackets and partial deindexation of family allowances. There has been controversy over the capital gains tax exemption for wealthy Canadians. We have had a series of measures, including a reduction in over-all tax rates for high-income earners, which I see as being a part of the Government's agenda directed towards emphasizing hidden and regressive commodity taxes as a part of its method of reducing the deficit. However, the effect is to further shift the share of the tax burden from those who could afford to pay to those who need to keep a larger part of their income for their own use and the use of their families.

● (1120)

This is one of the hallmarks of the Government's activity. It does not act on behalf of the average Canadians who pay by far the largest share of income taxes. It shifts the burden of taxes increasingly to them from the high profit corporate sector, the banking industry, and other industries which are well protected by the Government.

This regime has increased the tax burden on the ordinary Canadian family since 1984 by over \$1,000 a year. We started off with tax increases and, although there have been some decreases in the over-all taxation rate for the average family through tax reform, the end result is a tax burden on the average Canadian family in excess of \$1,000 more than they were paying in 1984.

This Bill is a part of the Government's over-all plan to increase the tax burden on ordinary families who need to buy these goods and services and need to use telephone services in order to communicate with their families, relatives, and friends for the purposes of business or, in many cases in my riding, to find out about employment opportunities.

There is a great groundswell against the taxation policy which the Government has followed. People in my riding are very concerned that the taxation level, including that on long distance charges, unfairly affects those who have to rely on long distance telephone communications in order to maintain effective communication with communities around them. It is