

*Excise Tax Act*

The third reason why I believe these taxes are unfair is ordinary Canadians are already paying too much in taxes. This Bill will tax commodities that previously were not taxed, and increases taxes on other commodities. Canadians are being taxed too much and it is time that low-income and middle-income Canadians revolt against such a taxation system.

**An Hon. Member:** What should we have, then?

**Mr. Nystrom:** In answer to my Conservative friend opposite, our Party had a tax probe that was chaired by the Member for Ottawa Centre (Mr. Cassidy) and the Member for Regina East (Mr. de Jong). It studied the taxation system and made recommendations as to what taxes should be cut and what taxes should be increased in certain areas, since the rich are getting away with avoiding tax by using certain loopholes. Furthermore, there are many companies and corporations in this country, such as the Royal Bank, that are not paying taxes as they should. We need a fair taxation system in this country.

The Government should no longer impose taxes on the ordinary men and women who work hard to keep Canada the great country it is today. They are the ordinary people who farm the land, make the factories work and produce the goods and services. It is ordinary people who built Canada into the fantastic country it is, but those are the very people the Conservative Party is taxing over and over again.

I remember when my grandfather said years ago that Tory times are tough times. He grew up in the 1930s, during the Government of R. B. Bennett. My grandfather also said: "Tory times are taxing times". As recent Gallup Polls indicate, Canadians again realize that Tory times are tough times and that electing a Tory Government means electing a Government that will tax, tax, tax.

[Translation]

**Mr. Cassidy:** They are number three in Quebec!

**Mr. Nystrom:** As my colleague points out, Mr. Speaker, the Progressive Conservative Party is now number three in Quebec. Every single poll indicates that the Conservative Party, the Government Party with 57 or 58 Members, ranks third in Quebec with something like 23 or 24 per cent of the votes.

With this kind of legislation, Mr. Speaker, the Conservative Party will be finished for another generation in this country. The very same thing happened after the '30s with R. B. Bennett and Canada's great depression. After this, Mr. Speaker, the Conservative Party will disappear in Canada for 20 or 30 years.

[English]

It was not until John Diefenbaker came along in the 1950s that the Conservative Party was revived. John Diefenbaker stood for many things that helped ordinary Canadians. It was the wealthy Conservatives of Bay Street, led by Dalton Camp, who stabbed John Diefenbaker in the back and got rid of him. Once again, the Conservative Party disappeared for 20 years.

Yet who does the Prime Minister (Mr. Mulroney) hire as his chief adviser but the same Dalton Camp who got rid of John Diefenbaker. As a Saskatchewan parliamentarian, we in the Province of Saskatchewan and indeed people right across western Canada will not forget that.

[Translation]

I know that my friends in Quebec agree with me and are against this Bill. I hope that the Members from Quebec will vote against the Government, against the Prime Minister (Mr. Mulroney), because the Bill is quite unfair to all Canadian men and women.

[English]

**Hon. Herb Gray (Windsor West):** Mr. Speaker, the House is being asked to agree to Bill C-14, an Act to amend the Excise Tax Act and the Excise Act. Its purpose is to implement the increases in what the ordinary taxpayer calls the sales tax. This Bill is a prime example of how the Conservative approach to our taxation system is based on unfairness, based on putting an undue burden on the middle and lower-income taxpayer.

I want to take a few minutes to review what Bill C-14 intends to do. First, it will put into effect the sales and excise tax increases that were proposed in the Budget of February 26, 1986. It is important to note that all of the items that are targeted in this Bill were also the subject of tax increases by the Conservative Budget of May 23, 1985. For example, effective April 1, 1986 an additional 1 per cent sales tax was levied on all taxable goods. However, the 1985 Budget also raised this sales tax by 1 per cent, effective January 1, 1986.

If this Bill is adopted by the House we will see that the tax on construction goods increased by 1 per cent to 7 per cent effective January 1, 1986, as well as an additional 1 per cent tax, increasing the rate to 8 per cent effective April 1, 1986.

The same is also true for all other categories of goods generally subject to sales and excise taxes. Cable and pay TV services went up 1 per cent to 7 per cent January 1, 1986, and up another 1 per cent to 8 per cent effective April 1, 1986. All other taxable goods were at the level of 11 per cent, which was an increase of 1 per cent effective January 1, 1986. There is now another 1 per cent increase to 12 per cent, going into effect April 1, 1986. We see that effective May 1, 1986 the tax rate on air transportation, the tickets, will increase from 9 per cent to 10 per cent. When we look at the telecommunications programming services tax, which applies to television equipment provided to customers of cable and pay-TV services, and to equipment used by hotels and other closed-circuits broadcasts, we see that this tax will increase by 1 per cent to 8 per cent. It was already increased in the 1985 Budget by 1 per cent. This is a very sizeable jump in less than one year.

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What about the tax on fuels? Prior to the 1985 Budget federal excise tax on non-commercial automotive fuels was 1.5 cents a litre. The 1985 Budget increased the excise tax on