

Excise Tax Act

ments. Initiative follows upon initiative all within a financial framework that was left in a shameful state by our predecessors who laugh about leaving the cupboard bare so that we cannot live up to our promises.

As a Member from Saskatchewan, I was proud to be present at Prince Albert on July 4 and July 5 and to participate in the policy formulation and I was heartened to hear the words of the Prince Albert declaration delivered by our Leader. Let me quote from that declaration:

A Progressive Conservative government in Ottawa will respect Western Canada as a unique region with its own special challenges and opportunities. To underline this mutual trust and faith, a Progressive Conservative government will adopt five basic principles which will govern a fresh new relationship between Western Canadians and their federal government.

1. Western Canadian economic development policies and strategies will be developed and implemented specifically by and for Western Canada in the belief that regional strengths and prosperity ultimately benefit all Canadians. No longer will regional differences and concerns be crushed in order to fit a single mold designed in Ottawa.

2. Federal policies will recognize and welcome Western Canada's role as a powerful engine of growth and job creation across all of Canada. As a special priority, the Progressive Conservative Party will ensure that our youth are able to stay, advance and prosper in their home regions.

3. Western Canadians will be brought back to the federal Cabinet table in positions of major power and influence.

4. Western Canadians and their duly elected provincial governments will be respected and listened to as partners. The Liberal record of confrontation and bitterness will be replaced by co-operation, consultation and understanding at all times.

5. A Progressive Conservative government will prove to Western Canadians by listening and taking action that the federal government is as much their government as that of any region. Westerners will again see Ottawa as a friend—not a threat.

The loyalty and trust that Western Canadians have placed in our hands will continue to be honoured when we form the national government.

While these principles are vitally important and provide Western Canadians with hope that once again the federal government can truly be on their side, only specific policy initiatives can put these principles into practice. That is the objective of the Progressive Conservative Party.

This fuel cost relief to primary producers is but one example of these specific initiatives made in the spirit of Prince Albert. In a mere six short weeks, the Government has done more for Canadians than the previous Liberal Government did in four and one-half long years. I repeat that the loyalty and trust that Canadians have placed in our Government will continue to be honoured.

Mr. Deputy Speaker: Questions or comments? Debate.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an opportunity to speak to this Bill, an Act to amend the Excise Tax Act and the Excise Act.

I was amused by the remarks made by the Member for Mississauga South (Mr. Blenkarn) because the Conservatives who are present in the House today and those who spoke earlier in the debate seemed to be avoiding any response to what their former finance critic had to say.

My colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis), touched on a number of comments that were made by the Conservatives before the election. It is interesting to note that no Conservatives are rising today to deal with

statements which were made by them in opposition. Once they are elected to government, while some new taxes were proposed in a couple of Liberal budgets—

Mr. Blenkarn: Why didn't you ask him?

Mr. Fulton: All he touched upon was one minor section of the Bill. I will certainly be touching on his comments while I am speaking this morning.

I would like to hear some Conservative Members respond to what the Hon. Member for St. John's West (Mr. Crosbie) had to say. Let me quote from *Hansard* of June 28 this year. The Member for Mississauga South can read his *Hansard* to make sure this is correct. I believe Canadians should know what kind of Party the Progressive Conservatives are. Since this is a regressive tax, I am reminded of Allan Forthingham's line, "Regressive convertibles".

The Hon. Member for St. John's West, when he was finance critic, said on June 28, 1984, as quoted at page 5249 of *Hansard*:

In the next three years the Government is going to take \$2.4 billion from Canadian consumers through the new special recovery tax, a 1 per cent increase in the sales tax. This year the Government will take \$300 million. How can the Minister justify these increased taxes on Canadian consumers whom he is crucifying with increased interest rates at the same time? How can he justify that, the unemployment it will bring, and the recession which will follow it?

I would like to hear from Conservative Members whether the Member for St. John's West was simply billowing hot air or in fact knew what he was talking about. He is a former Minister of Finance and is presently the Minister of Justice. I assume that Conservatives throughout Canada supported his view that this increase of 1 per cent in the sales tax would increase unemployment and deepen the recession in Canada.

I have yet to hear some Conservative Members explain either why this tax is necessary—one for which there are many alternatives which I will explain—or why the Member for St. John's West was wrong and the present Minister of Finance (Mr. Wilson) is suddenly so correct.

Let me explain Bill C-17 so that Canadians will know why it is so regressive in terms of its impact on Canadian workers, on poor people, young people and the elderly in this country. The special recovery tax, which is a federal sales tax increase, is a result of the April, 1983 Budget. The rate of federal tax was increased on October 1 of this year and is to expire on December 31, 1988.

The federal sales tax will increase by 1 per cent on a number of items. First, there will be an increase for construction materials. I question the increasingly negative impact that will have in terms of the Canadian housing market. There will be an increase in the tax on alcoholic beverages and tobacco products from 12 per cent to 13 per cent. Again, that is a very regressive tax. Third, an increase in all other taxable goods from 9 per cent to 10 per cent.

This increase was initially introduced in order to offset the cost of the special recovery capital projects which were announced in the April, 1983 Budget. We now know how political those special recovery capital projects were. While