

Excise Tax Act

Mr. Baker: You could save \$10 if your call originated from Alberta into the Province of Ontario, and you could save \$12 on the \$100 if your call originated from Alberta instead of Nova Scotia, Prince Edward Island, or the Province of New Brunswick. That is because there is, of course, no provincial sales tax in the Province of Alberta on long distance telephone calls.

When the Government of Canada says that it is to bring in a 9 per cent sales tax at the end of net year on everything you can think of, it is not 9 per cent. It is 9 per cent in the Province of Alberta, yes, but it is more than 9 per cent in Ontario. It is more than that again if you are in New Brunswick. It is more than that again if you are in Newfoundland.

What is the total effect of that? Under this present Bill, they are increasing the taxes on long distance telephone calls. It means a 1 per cent increase in this Bill. It means that the people in Canada are actually paying in excess of that 1 per cent. That is what is wrong with having a federal tax that applies to all goods and services.

With long distance telephone calls, if you are watching every dollar and you know you can save \$13 on every \$100 if your call originates from Alberta and not the Province of Newfoundland, that you can save \$11.58 if your call originates from Alberta and not Nova Scotia, or you can save \$9.98 on \$100 if your call originates from Alberta and not Ontario, it would be great if you could figure out a way of getting around the new sales tax so that you could use a reversal like that and the tax would be fair right across Canada. If all your long distance telephone calls originated in the Province of Alberta, then all Canadians would pay an equal tax.

The Hon. Minister said to me a few minutes ago that the provinces were to blame here, that they had a tax on. Everybody knows provincial Governments have varying amounts of sales taxes in effect in their provinces. That is why the federal Government is dealing a grave injustice to Canadians when it comes along and says: "What we did on your long distance telephone calls last year we are now going to do on every single good and service there is in Canada; we are going to add on 9 per cent." Some 9 plus 12 in Newfoundland you would think was 21, but it is 24; 9 plus 11 in New Brunswick is not 20 but is over 21.

On top of that, as if that were not bad enough, if that was not unequal enough, what do we have? Somebody says: "Oh, that is a provincial tax on top of a federal tax." The ordinary Canadian who is watching his dollar, the senior citizen who wants to make long distance telephone calls to his or her grandchildren in western Canada, eastern Canada or up north do not ask whether this a federal tax, a provincial tax or a municipal tax. They just look at it and say: "I have lost \$13 out of \$100 because my call originated in one province and not another one."

The grave injustice of the system is not knowing that you can actually get around that tax if you originate your calls from the province that has the lowest sales tax. That injustice will now apply to everything you buy.

When you walk into the store on January 1, 1991, you will pay over 20 per cent retail sales tax on every good and service in all of the Atlantic provinces—over 20 per cent. If you are buying a stove or a fridge, imagine the tax you will be paying, but if you pay tax in a province with no provincial sales tax, you do not pay the double taxation that you pay in other provinces.

On top of all of that, the Government of Canada says: "Well, now to soften the burden, we are going to give all Canadians in advance a rebate."

• (2220)

We are going to give Canadians, and I am talking about ordinary Canadians now which is the vast majority, an advance rebate. On what, Mr. Speaker? On the tax that the Government of Canada says they will be paying.

What is being taxed, Mr. Speaker? If you buy an article that is manufactured in one province, every time that it changes hands the tax is put on and then rebated, put on and then rebated. The higher the cost becomes as it goes along, the tax is put on and rebated, put on and rebated, until it gets to the end of the line. They will now pay tax on the transportation of that good. They will pay tax on everything all along the line.

One would suspect that the rebate to the Canadian who lives in Newfoundland or British Columbia, if the good is made in central Canada, would get a higher rebate than someone who lives in the town in which it was manufactured, but oh, no, Mr. Speaker, the rebates are all the same. Consider the logic of saying that we are going to tax everything, every good and every service,