

*Excise Tax Act*

**Mr. McCurdy:** We in this chamber represent those whose interests we will ourselves to represent, whether they vote for us or not. We are strong on principle. We stand on a principle of fairness and fairness says that Bill C-20 should be rejected.

**An Hon. Member:** He is ranting and raving.

**Mr. McDermid:** What a pious pomp.

**Some Hon. Members:** Oh, oh!

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, the previous speaker has said it very well. I am not sure what I can add, but I want to make a few comments on Bill C-20, the Bill on excise and sales tax. We could be calling it an example of sorry Tory tax reform, part 2.

First, we are debating a piece of legislation, the results of which to some extent taxpayers are already feeling the bite. Some aspects of this legislation came into force on June 1, 1989. Other aspects came into force on April 28. Taxes on cigarettes were increased in April and are due to increase again on October 1. This is interesting, as we have already learned that distributors made huge wind-fall profits on the first hikes on cigarettes which was based on inventory and on which they subsequently charged the new tax.

The Minister of National Revenue (Mr. Jelinek) has admitted that he is concerned enough about this possibility of people making profits, basically speculating on the Budget, and he is concerned enough that he will take these concerns to the Minister of Finance (Mr. Wilson). Whether they will be addressed by October 1, we do not know. Again it is the taxpayer, the ordinary Canadian about which the previous Member spoke so eloquently, who pays the price in the end.

As for the stock market, those who choose to speculate do it knowingly and I am sure that some businesses can speculate on tax increases. This is hardly something that can be considered fair and hardly something which taxpayers can feel is an equitable burden.

There is the question of the manufacturers' sales tax, a tax which the Minister of State for Finance (Mr. Hockin) on June 6 called seriously flawed. There has been much discussion in committee and in the House on the evils of the manufacturers' sales tax and why the proposed goods and services tax of the Government will redress those evils. What does the Government do about this seriously

flawed tax? Did it make an attempt to make it fair? Did the Government make an attempt to address the flaws? No. The Government ensured, by increasing the manufacturers' sales tax by 1.5 per cent, that it would deal with this seriously flawed tax by making it worse. This characterizes much of the Budget planning and policy of the Government.

The people who are the consumers are those who see an increasing tax bite out of their pockets and we see more and more people living day to day on that average salary.

I was speaking earlier to my colleague from Saskatchewan. He pointed out to me that in a survey he saw recently more than half of the people in one of the communities he was looking at in Saskatchewan were living below the poverty line. These are the ones who suffer the most from this kind of hidden and regressive tax system. These are the people who will feel that 1-cent increase on gasoline the most. Not only will it affect them personally, but they will see it in public transit and everything else.

I mentioned before that in dealing with the flawed manufacturers' sales tax the Government has chosen to take the tack of entrenching it as opposed to redressing it. Then the Government tries to tell us that the proposed sales tax on every purchase, the goods and services tax, will be good for us, that it will make things fairer and change the inequities of things like the manufacturers' sales tax. During the debate on the Budget leak, the Minister assured the House that no profits would be made as a result of this leak. He assured us that when tax reform came into effect, the personal surtax would be removed. Later he said he would not be doing that. The Minister of Finance (Mr. Wilson) also explained that the new sales and service tax would get rid of the hidden aspect of the taxes we are discussing under this Bill. Now we learn that they will not be visible.

• (2130)

In fact, the Minister of Consumer and Corporate Affairs (Mr. Valcourt) said on June 11, not very long ago, that he felt that visibility in a tax system is the only way to ensure that consumers in the end do not get ripped off. The Minister of Consumer and Corporate Affairs was speaking to a meeting of the Consumers' Association. We would agree with him, but in this Bill, there is an