

Excise Tax Act

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it. The motion is agreed to on division.

Motion agreed to.

Mr. Lewis (for the Minister of Finance) moved that the Bill be read the third time and passed.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Madam Speaker, Bill C-117 contains the requisite provisions to implement the changes in federal sales tax and excise tax announced by the Minister of Finance in his respective Budgets on February 18, 1987 and February 10, 1988, in the White Paper on Tax Reform on June 18, 1987 and the document on tax reform on December 16, 1987.

The Bill contains a number of important measures whose purpose is to increase tax revenue and deal with certain technical aspects of the legislation. Most of the provisions for increasing revenue are part of the Government's tax reform program. These changes and the changes in corporate income tax will be used to offset the short-fall in revenue from personal income tax as a result of tax reform. Madam Speaker, as you know, it is imperative to adopt Bill C-117 as soon as possible, in order to amend federal sales tax legislation and remove certain inequities it contains. Madam Speaker, I would ask the House to adopt this Bill as soon as possible.

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Madam Speaker, I welcome this opportunity to take part in the debate this morning on Bill C-117, whose purpose is to legislate a number of historic tax increases. The Parliamentary Secretary said earlier that he would like to see this Bill pass as soon as possible. I may remind him, and I may remind this House, that we are talking about the tax increases announced in the February 1987 Budget. That Budget contained the 12 per cent tax on snacks, candy and ice cream, which became effective on July 1, 1987, and this means the Government is going to take the following amounts out of taxpayers' pockets: In 1987-88 it will be \$60 million, in 1988-89, \$80 million, and so on. The same budget announced a 4 per cent increase in the excise tax on cigarettes and tobacco, effective the day the Budget was brought down, on February 19, 1987, and this will take \$70

million out of taxpayers' pockets in 1987-88 and another \$7 million in 1988-89, and so forth, Madam Speaker.

The same budget provides for a \$4 increase in the air transportation tax, effective on May 1, 1987 and estimated to raise \$45 million for the Treasury by August 1, 1987 and \$50 million in 1988-89 and following years. The same budget raised the sales tax on leaded gas to the same level as for unleaded gas, effective April 1, 1987, which means another \$30 million annually for the Treasury, taken out of taxpayers' pockets!

And so this Bill keeps increasing taxes. After a long wait, after many promises, the Minister of Finance finally tabled his White Paper on Tax Reform in June 1987. At the very moment the White Paper on Tax Reform was tabled, this document on which Canadians were asked to consult, in June 1987, the Minister—and he did it again in December 1987—raised taxes again. He introduced what was referred to in English as "the talk tax". There is now a 10 per cent tax on long distance calls. Imagine, Madam Speaker, people who live in rural areas, farmers who have to make long distance calls whether they like it or not, and now, since 1987, they have to pay this tax. Add to this a 2 per cent increase in the tax on cable TV, from 8 to 10 per cent during the 1987 tax reform, which became effective on January 1, 1988. This adds up to \$870 million taken out of taxpayers' pockets by the Conservative Government for 1988-89 and \$945 million for 1990 and \$1 billion for 1990-91.

The number of taxes this Government is dumping on Canadian taxpayers is outrageous! Imagine, the elderly, the handicapped and all other groups, including farmers, who now have to pay a tax on long distance calls they cannot avoid. It's not like living in the city where you can . . . And even in urban areas, and I am thinking of Montreal East, in Rivière-des-Prairies, the present riding of Mercier and in the new riding of Anjou—Rivière-des-Prairies, people still pay long distance rates if they call Laval, which is right next door, across the river. And in addition to being penalized by having to pay long distance rates within an urban area, they are penalized even more by this tax.

As part of the same tax reform, before the consultation process was complete, the Minister of Finance increased the tax on paint and wallpaper from 8 to 12 per cent, effective January 18, 1988, which increased the Government's revenue by \$60 million per year. As part of the same tax reform, with a little creative accounting the Minister of Finance produced something like \$1.6 billion which, in fact, does not mean a thing, because it does not apply to all the other years, but he wanted to cook the books to give Canadians the impression that his deficit was gradually diminishing. He just changed the rules of the game, and he said:

● (1130)

From now on, employers, the people who create jobs, will pay the Government every two weeks instead of every month,