

*Excise Tax Act*

We want it to be easier for Canadian manufacturers to comply with the present legislation. Revenue Canada has therefore been authorized to approve, on a case-by-case basis, the use of non-standard techniques and equipment to measure the alcohol content of spirits for the purpose of determining the excise levies payable. At this point, I may remind the House that there are people who are particularly sensitive to this measure, especially in the riding of LaSalle which has a major distillery and breweries which were hampered by the outmoded measuring procedures imposed by a legalistic bureaucracy.

I join my constituents in welcoming these new measures.

Further changes concern cases where manufacturers may recover the excise tax paid on beer and tobacco products when these are destroyed because they are unfit for human consumption. The changes are not spectacular in themselves but will have a major impact on the general public and especially on the industries directly concerned. What they will not do is stimulate economic renewal or significantly reduce the deficit!

However, the people directly concerned by this legislation are saying that at last they have a Government that is fair and up-to-date. In addition, these changes will consolidate the basis of our national taxation system.

Were there no such determining factors and standardized procedures, the assessment system would not operate efficiently, in other words it would operate haphazardly and inequitably, much like the previous administration did.

Mr. Speaker, we are proud to support the Bill now before the House and to assert that our Government is as much concerned about the scope of the tax system as it is about the taxation process, for at long last we will have a modern, simplified and fair system from which all Canadians will benefit.

● (1610)

**Mr. Tardif:** Mr. Speaker, my colleague from LaSalle (Mr. Lanthier) kept repeating that this Bill is a regular cornucopia of benefits for low and middle income taxpayers.

Shortly before the Hon. Member began his remarks, my colleague from Laval-des-Rapides (Mr. Garneau) in his presentation proved beyond the shadow of a doubt that the measure before the House will siphon \$15 billion from the pockets of low and middle income Canadians, and that those \$15 billion will be handed over to 1,000 to 1,500 businessmen. How can anyone claim, pretend or affirm that this Bill is a godsend for low and middle income Canadian taxpayers?

**Mr. Lanthier:** Mr. Speaker, someone objected to my reading a prepared text, but at least it proves that I can read. I doubt whether my colleague opposite even took the time to read the Bill. There are two ways to deal with it.

This morning the Minister dealt mostly with measures related to the Excise Tax Act. Today I chose to talk about the way taxes are collected, which is an important aspect of this Bill. Paying taxes is painful enough as it is, Mr. Speaker, but it is made even worse when businessmen have to cope with red tape which thwarts them at every turn. The way taxes are collected is what irks most people, not whether they are going up or down.

Mr. Speaker, that is why I talked about a modern, fair and simplified tax collection system. If the Members opposite had listened a bit more closely to small businessmen, they would know that the major problem is bureaucratic red tape. It is not the tax itself. This is certainly a burden, but it is necessary. What I wanted to examine more particularly in the comments I addressed to you, Mr. Speaker, was the procedure itself. I believe that it is quite refreshing that, instead of going over the same old song about the just society with which the previous Government tried to con the Canadian population, we, the members of the Progressive Conservative Government, want to establish an equitable society based on natural justice and simplified procedures rather than on the complexities of legalistic considerations. That is the first comment I wanted to make.

Second, Mr. Speaker, I should remind the Members opposite that this Bill contains four elements. First, in agreement with the recommendations of the Nielsen taskforce, the Bill proposes to extend the base of the sales tax, to make the sales tax fairer for businesses, to make it more competitive, so that everyone will be treated equally instead of there being preferential or accidental treatment in certain cases as happened in the past.

Second, the Bill implements some of the strategic plans of the Government to reduce the deficit by increasing certain taxes. Naturally it does!

Third, the Bill fulfils the electoral promises that automatic indexing of the taxes on alcohol and tobacco would be eliminated. The indexing of taxes on alcohol and tobacco—I can see that you are smiling, Mr. Speaker, because I know that there is also a large distillery in your constituency, which means that you were yourself faced with this problem of tax indexing. The taxes have finally been brought back to a reasonable basis as everything will be taxed proportionately. What was the idea of taxing on the basis of one gallon of pure alcohol? This retrograde and certainly regressive formula was tolerated until September 4 of last year. Our consultations with the private sector showed that these changes would be reasonable. We are not afraid to innovate in this field and to say that it is not because the alcohol had been taxed that way since 1921 that we must continue to do the same.

The fourth objective of this Bill was to simplify the assessment and appeal system and make them fair and equitable.

Mr. Speaker, after being in business for a long time, I know that it is unpleasant to have a tax system in which the taxpayer