

*Excise Tax Act*

I see that he is singing, he finds it funny. The young people find it funny, Mr. Speaker . . . He is playing the violin . . . But I say to him that the young people, like their parents, will remember this Government for taxing cable television and long distance calls.

I could perhaps read from another interesting list on this Government's costs.

We spoke about indirect taxes earlier, and we shall now deal with direct taxes, which are collected up front.

First, the de-indexation of family allowances, personal credit and income tax tables. Since January 1, 1986, the Government has relieved Canadian taxpayers of \$635 million by de-indexing family allowances. The Members opposite are happy about it!

**Mrs. Bourgault:** We are paying for your mistakes!

**Mr. Gauthier:** Since January 1, 1986, the elimination of the tax rebate has brought in \$650 million. By eliminating the deduction for the Registered Home Ownership Plan as of May 22, 1985, the Government has taken away \$125 million from Canadians. The temporary surtax of 5 to 10 per cent on high incomes from July 1 to December 31, 1986, has brought in \$500 million. The general and permanent surtax of 3 per cent for all taxpayers implemented on July 1, 1986, has brought in \$1.2 billion. The change in the tax system for dividends implemented on January 1, 1986, has brought the Government \$300 million. The change in the spousal exemption implemented on January 1, 1986, has cost taxpayers \$20 million.

Mr. Speaker, I heard one Member say: "That is nothing!" It was a Conservative Member, one of the silly ones who usually make such comments. "That is nothing!"

For him, Mr. Speaker, \$1.2 billion, a general surtax of 3 per cent, on to all taxpayers is nothing.

The Hon. Member is probably wealthier than average Canadians. "That is nothing", say the Conservatives, Mr. Speaker!

This is why the public is becoming cynical as far as the Conservatives are concerned. It is because of such comments that the Government has lost all credibility.

**An Hon. Member:** All credibility!

**Mr. Gauthier:** That's right, the Government has lost all credibility, you have lost, wasted and destroyed everything in the past three and a half years. The little you had in 1984 you have now lost!

**Mrs. Bourgault:** The polls say—

**Mr. Gauthier:** Mr. Speaker, I like to hear such comments because they keep me interested. There is nothing more useful than to have people make comments. It is interesting.

I would like to point out to those Hon. Members that Canadians will remember that this Government said: "These taxes are nothing! That is nothing!"

• (1240)

[English]

Maybe I should go back to my second language and say that indeed the Government's actions speak for themselves. It chose to bring in a Bill to amend the Excise Tax Act and the Excise Act for second reading just before a recess in the hope that the opposition Parties will debate and pass it quickly.

As we know, these revenue-raising items are some of the tools used by the Government to create its smoke and mirrors illusion that the deficit has indeed decreased. If it has, it has been at the expense of the average Canadian wallet. My colleagues and I would like to spend some time in drawing attention to this Bill and in telling the people of Canada how the accelerated federal tax and excise tax remittances and the manufacturers' sales tax will impact upon them.

I spoke about the illusory \$29.3 billion deficit. It bears repeating that one of the ways this illusion was created was through the use of accounting tricks such as the acceleration of federal sales tax and excise tax remittances. Canadian employers who must deduct income tax, Canada Pension Plan and unemployment insurance contributions from their employees and remit those amounts to the Government have been required to do this with greater frequency since 1987. In January, 1987, employers had been remitting once a month. They then had to start remitting twice a month, increasing the paperwork and workload of their operations. This gave the Government a one time increase in revenue of \$1.6 billion. Then the Government told the employers to remit deductions weekly, resulting in another increase in revenue for the Government.

Due to the fact that pay-roll deductions based on new tax rates will not begin until July, 1988, the Government has given itself a six-month interest-free loan for this year of about \$1 billion, because employers will still be remitting at the old rates between January 1 and July, 1988.

I want to now address the changes related to the manufacturers' sales tax, dubbed the silent killer of jobs by the Minister of Finance (Mr. Wilson) himself. Between October 1, 1984, and April 1, 1986, this tax increased from 9 per cent to 12 per cent. This resulted, as I said previously, in a \$3 billion gain for the Government. Manufacturers, too, are required to remit this tax earlier, sometimes even before they have collected it through sales. The Government continues to tinker with this tax, apply it to more goods, broaden the base, and increase the rate, and evidently this will continue because the national sales tax that the Government was going to replace it