

Excise Tax Act

this increase and perhaps delay further this action plan." But the Government will have some day to tell the whole truth about this matter and state its intentions, because it cannot continue administering this country without knowing where it is going.

But to return to Bill C-14, Mr. Speaker, there are tax increases everywhere. This is going to hurt consumers and corporations, and we are now dealing again with taxes in the House. How many other things have we not had the opportunity to debate that went past us unnoticed. For instance, as a lawyer, you know that it used to cost \$200 for a federal incorporation; today it costs \$500. From \$200 to \$500, a \$300 increase for an incorporation! It is unbelievable and frightening! But, who incorporates? It is certainly not the large companies which will suffer, since in legal fees only it costs them ten times that much. It will hurt small businesses, which will not be able to take advantage of the benefits which accrue from incorporation. It is a well known fact that incorporation brings a number of benefits, and in particular a reduced rate of taxation. Today, the cost of incorporation jumps by \$300. This is a hidden tax, which was announced in the Budget, but is not even mentioned in Bill C-14, although it is still there.

Take the increase in postal rates, Mr. Speaker, that is also a hidden tax. If you calculate the cost for a small business, even at 2 cents a letter, it can add up to \$1000 to \$1500 a year. Take now the subject of liability insurance. What is being done? My colleague from Duvernay should know very well that all the car dealers and repair shops in Montreal have the same problem. They cannot get liability insurance, even for a small fortune. I know one case where the premium increased to \$7000, although it was only \$1000 two years ago. Yes, you are in Government and you let the insurance companies do whatever they wish. Are we going, one day, to have a Canadian policy dealing with insurance? Are we going to let people from London or New York set the rates?

Mr. Della Noce: We are going to change everything.

Mr. Gagliano: Change everything, exactly, Mr. Speaker—

Mr. Vincent: On a point of Order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Parliamentary Secretary to the Minister of Finance (Mr. Vincent) on a point of order.

Mr. Vincent: Mr. Speaker, with respect, we are considering a Bill that deals with federal sales tax, and the Hon. Member is talking about insurance premiums. I think we should get back to the subject of this debate, which is federal sales tax. If the Hon. Member has no particular comments on the subject, Mr. Speaker, perhaps he could let someone else take the floor.

Mr. Deputy Speaker: The Parliamentary Secretary to the Minister of Finance (Mr. Vincent) has a point. I will let the Hon. Member for Saint-Léonard—Anjou (M. Gagliano) give us another example. However, that does not mean he can devote his entire speech to these details. I'm sure the Hon.

Member for Saint-Léonard—Anjou understands. The Hon. Member may proceed.

Mr. Gagliano: Mr. Speaker, I was taking insurance and our postal services as examples. These are taxes too, and my point was that small businesses will be stuck with all the taxes we are increasing here, sales taxes in addition to all the other charges and licences that are being increased by hundreds and thousands of dollars. At the end of the year, how can they expect to survive? I wanted to use this as an example, Mr. Speaker, to make Canadians understand the impact of this tax increase.

● (1730)

Mr. Speaker, I also would like to inform the House that in November 1985, the Angus Reid company polled Canadians on entrepreneurship in Canada. The results, published in February 1986 when the Budget was brought down, show that Canadians agreed with the Budget. They were prepared to start new businesses, to take risks, to work long hours and even to move to other areas. They were ready to take chances to become good entrepreneurs. But two things in the poll caused a certain amount of anxiety, and these were higher taxes and the lack of pension funds for small businesses.

Before the Hon. Member rises to reply and waste the time of Hon. Members here in the House, I want to say that this information is indeed relevant, because small businessmen and small businesses and Canadians do not want to go into business because taxes are too high, and now, once again, the Budget is an excuse to increase taxes.

Mr. Speaker, I am going to quote some figures, and perhaps the Hon. Member could learn something here.

Here it is: the 1984 Economic Statement and the May 1985 Budget. If we look at the 3 per cent deindexing of income tax, this has cost Canadians \$570 million, which means a 5 to 10 per cent surtax amounting to \$550 million, and there is also the 1973 tax rebate that was eliminated and which has cost us \$490 million. We have a whole list to show that, as I said earlier, Canadians will spend \$5 billion more in taxes in 1986-87. That is a fact.

An Hon. Member: They will save \$7 billion!

Mr. Gagliano: And how will they do that? The Hon. Member says that they will save \$7 billion, Mr. Speaker.

That is not all, even though we have just been told that there are no other measures. However, we have to wait for the next Budget when the Minister of Finance introduces his new tax so that even the air we breathe will be taxed. This will mean billions of dollars more, Mr. Speaker.

Such is the Conservative Government: Taxes, taxes and still more taxes.

An Hon. Member: It costs a lot to pay for Brian's friends.