

Excise Tax Act

that businesses would enjoy more harmonious relationships with the government as far as tax collection is concerned.

This has not been achieved during the first phase, in fact things have only become more complicated—and I invite you, Madam Speaker, and all my colleagues just to look at the tax form. Did you know that, on July 1, the first phase of tax reform goes into effect? All we need is to take the form—Members have to complete it as well—to determine the exemptions which are now credits. However, if we look closely, it is even more complicated than our annual income tax return. This is supposed to be a simple form that tells the employer how to deduct taxes from his payroll. And it turns out to be more complicated than an income tax return! Tax reform was supposed to simplify matters, but it seems to be making them more complex.

Phase two of the tax reform has yet to be implemented, but the Minister has started to announce new measures. If he needed money, he could have raised taxes. No, he couldn't do that, because raising taxes is a political no-no. We are right in the middle of an election campaign, so we can't raise taxes. We have to get the money somewhere else. So we create a new tax, a new way to calculate it, just like that, and nobody has a clue how they should calculate this tax and what kind of responsibility is involved.

Considering all the people who contributed to the discussion, all the businesses and industries that appeared before the committee, I hope the committee on finance will recommend that the Minister get rid of these new federal taxes and give businesses a breather so that they can get on with their work and create jobs.

Madam Speaker, we see here a Government that was elected on the basis of promises made by its Minister of Finance who was not supposed to raise taxes, because taxes were already too high. They would concentrate on bringing expenditures down through better management, in order to balance government spending and government revenues. Today, however, when we look at the results—as of March 31, 1984, we had an annual deficit of \$32 billion. Today, we have an annual deficit of about \$30 billion, which means only \$2 billion less. However, during that period, income tax and other taxes increased by \$22 billion. If we add to that the \$1.6 billion and \$1.3 billion worth of creative accounting the Minister of Finance has done on sales tax and remittance of payroll deductions, we could say that without the accounting changes and the disastrous increases in sales tax, we would have an annual deficit today of \$34 billion, which means an increase of \$2 billion.

That is what the Conservative Government has accomplished, a Government that promised it would not increase taxes, a Government that promised a simple tax system that all Canadians would be able to understand. Now we have a national debt that has increased by 40 per cent. We have a deficit that didn't go down, and especially, if we adjust all the creative accounting entries—we have a taxation system that

will come into effect as of July 1—it won't be long now—and all employers have received these exemption forms for the changes in payroll deductions, and it will take them ages to complete these forms. This is an intolerable situation.

In concluding, Madam Speaker, if the Parliamentary Secretary thought this morning that we would approve this Bill in a matter of minutes, I think he failed to realize that Canadians don't agree with this Government. Not long ago, in fact it was early this week or on the weekend, a poll showed that 50 per cent of Canadians were not satisfied with the Conservative Government. If we consider all these taxes and everything they involve, Canadians are definitely disappointed in a Government that was elected on a promise of good government and a commitment not to raise taxes. And I am sure that as soon as the Prime Minister can screw enough courage to call an election, Canadians will remember this and send the Conservative Government to the Opposition benches.

● (1200)

Mr. Roger Clinch (Parliamentary Secretary to Minister of Communications): Madam Speaker, it is a real pleasure for me to say a few words on Bill C-117. We know that the Bill contains legislative amendments required to implement the changes made to the federal sales tax, the excise tax announced by the Minister of Finance on various occasions like the February 18 Budget, on February 10, in the White Paper on Tax Reform on June 18, 1987, and the December 16 paper on tax reform.

[English]

I move:

That this question be now put.

The Acting Speaker (Mrs. Champagne): Mr. Clinch, seconded by the Mr. Hawkes, moves that this question be now put.

Mr. Cassidy: Madam Speaker, I want to raise a point of order and then, hopefully, go on to debate. Yesterday, somewhat in heat because of some tactics being used by the Government, I made some comments about the Chair which I wish to withdraw and apologize for. I think you, Madam Speaker, realize that the next few weeks are going to be difficult for the Chair, as they will be for all of us, if the level of debate and perhaps the partisanship among the different Parties rises in view of the forthcoming election.

However, I apologize for my remarks which may have suggested the Chair was not acting fairly. I recognize that even if we may have been uncomfortable about the different procedures being used at that time, they were in fact within the Government's right to bring forward. That was my point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): I thank the Hon. Member. Resuming debate.