

Oral Questions

Mr. Speaker: The hon. member will put her question.

Ms. Copps: Mr. Speaker, the tax increases in the last four years have been higher than in any of the G-7 countries.

• (1420)

My question is for the former Minister of Finance. Does he agree with his colleagues, the Minister of Revenue and the Minister of Finance, that Canadians are paying too much tax? Does he agree?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, first of all, the hon. member quoted the two ministers out of context totally. Second, Canada is not the highest taxed in the OECD. As a matter of fact we are the third lowest under the OECD in total taxes paid in this country. So, before she makes these statements in the House, she should in fact state the facts. I think that is most important.

Third, unlike the Liberals who do knee-jerk reactions to everything, we are going to wait to assess this over a year period when it has been in operation for that period of time.

[Translation]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is for the Acting Prime Minister. During the registration period of the GST, the Minister of National Revenue said at the time that there were more taxpayers than anticipated. After three months, \$400 million more than forecasted have been collected, the official explanation for that being that there were more returns than expected. Does the government know what the revenues of the GST actually are? Are we going to know how much taxpayers are actually paying for this GST which is creating problems for the Canadian economy?

[English]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, as I mentioned to the hon. member's colleague, the money is going to the debt servicing and reduction fund. That is exactly the commitment that was made in the February budget by the previous Minister of Finance. That piece of legislation will be introduced in the House, I believe later this week, and I trust the hon. member and his party will support it.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, for seven years this government has never come close to one of its budget predictions.

When you introduce this proposed legislation, do you know how much money you are going to put against the debt with the GST? Stop saying you are going to put it against the debt. How much? Do you know what you are doing?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, all moneys collected under the goods and services tax, with the exception of those that go to senior citizens and rebates to low income people, will go into the debt servicing and reduction fund.

My hon. friend says: "How much?" He will know how much because the Auditor General will audit that account and produce the facts for the Canadian people.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, clearly the figures reveal that the Canadian public is being gouged and screwed by the GST even worse than the government itself predicted the Canadian public would be.

I want to ask the minister: Given these returns, if you like, in the first three months of this year, will the government reconsider the GST? Will it scrap the tax and will it look for the money that it claims it needs in things like the trust funds that are supposed to be taxed in 1993 but which the government is moving to protect further?

There are billions of dollars there that the government could tax which have gone untaxed for 21 years. Why does the government not do that and give the middle class a break and stop taxing them to death as these figures show you are doing?

Hon. John McDermid (Minister of State (Finance and Privatization)): No, Mr. Speaker, we will not.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, let the record show I asked them to stop taxing the middle class to death and he said: "No, Mr. Speaker, we will not". That is the policy of this government, to keep taxing the middle class to death.

If the minister is not willing to do that, is he at least willing to consider some of the exemptions that people have been asking for time and time again? The government has said it is committed to a learning culture. Will it finally exempt books from the GST?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the question in the first place was would we abolish the GST. That was the question that was asked and I said: "no". That was no. If the hon. member was fair, he would admit that.