

Oral Questions

Does the minister know that Quebec has a law making this American waste illegal? When will he reach an agreement with U.S. Customs to stop this American waste at the U.S. border?

[English]

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the hon. member should know that there are some liquid and other wastes that are not dangerous to our environment and society that are allowed to move on both sides of the border. Those illegal wastes, solid wastes, which are not allowed to come into this country are being monitored. Agreements have been made not only the Department of the Environment from the Province of Quebec, but with U.S. Customs and other agencies. We are working very closely with the Department of the Environment and my colleague, the Minister of the Environment, and we are satisfied that there is no negative effect as a result of the position that this government has taken.

• (1430)

What has happened in recent days in Quebec proves that the system is working and that illegal waste is not entering Canada from the United States.

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[Translation]

TAXATION

Ms. Audrey McLaughlin (Yukon): My question is directed to the Prime Minister. Groups opposed to this government's goods and services tax are springing up across the country. This week, senior citizens in Montreal said: "This is a regressive tax that causes severe hardship for those who are in greatest need, the poor and the elderly". And the government answers that it has no other option. My question to the Prime Minister is as follows: How can he keep saying that all Canadians must pay more tax on all the items they buy, when tax loopholes for the rich, the people who make thousands of dollars worth of profits on the stock exchange or in real estate, continue to exist?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the hon. member is mistaken. We do have a very regressive tax in Canada at this moment. I am referring to the manufacturers' sales tax, that will be eliminated when the GST is introduced. We must remember that under this program, Canada will eliminate the existing 13.5 per cent tax and replace it with the

7 per cent GST. We must not forget that this tax measure contains tax benefits that will help the neediest, the less fortunate in our society. This means that the GST will be applied far more progressively than the present tax that will disappear as a result of this new measure.

[English]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the Prime Minister says that the manufacturers' sales tax is not fair. I would ask the Prime Minister why his government raised it not one time, not two times, not three times, but four times since his government has been in office.

The reason Canadians are opposed to the goods and services tax is that they recognize that the tax burden is not being shared fairly in this country. Will the Prime Minister confirm that the tax deduction which allows businesses to write off 80 per cent of their entertainment expenses costs this government approximately \$1 billion per year?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asks why the taxes were raised. The taxes were raised by this government for the same reason they are raised by other governments here and around the world: to pay bills, to pay the cost of increasing demands of society for everything from health, education and welfare to research and development.

In all of those areas, this government has increased the federal commitment dramatically over the last five years, and all of those have to be paid for. They can be paid for either by raising taxes, cutting expenditures or printing money. There was too much money printed for too long around here, the consequence of which was rising inflation, sky-rocketing unemployment and a burden of debt which we inherited from the Liberals and are now trying to get rid of.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the New Democratic Party has provided a number of alternatives to the goods and services tax.

Some hon. members: Oh, oh!

Ms. McLaughlin: Will the Prime Minister commit to a fair tax system to raise revenues by ensuring that businesses do not receive a particular benefit that ordinary Canadians do not receive? I ask the Prime Minister again, will he confirm that the 80 per cent tax deduction for businesses on entertainment—we are talking about entertainment—costs this government