

*Oral Questions***GOODS AND SERVICES TAX**

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is addressed to the Minister of Finance.

Tomorrow I will be meeting in Toronto with representatives of some 600,000 senior citizens across Canada. They do not like this new sales tax because they know that the goods and services tax is going to add to their cost of living.

The minister has said that 75 per cent of seniors will be better off after this tax, but I note that the groups to whom the finance minister is speaking are primarily business groups.

Will the minister join me tomorrow in Toronto to explain in person to senior citizens groups what this tax will mean for them?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the hon. member were not so interested in playing political games, she would have let me know about this meeting some time ago so I could have made plans to be there with her.

I say to her again, I have brochures here which I would like her to take to the representatives of the senior citizens organization and explain to those people what the GST applies to and what it does not apply to.

I would also like her to explain to them where she disagrees with the material that is in the technical paper which shows that under the GST, less the existing federal sales tax, a single senior citizen earning \$25,000 will pay \$220 more after the GST, before the application of the goods and services tax credit. There will be an improvement in their position with the ongoing indexing as a result of the GST of \$81. Then there is the improvement of \$278 as a result of the GST credit. That results in that person being \$139 better off.

If my hon. friend disagrees with these numbers, let her come and tell me where she disagrees. This is the third time I have asked and I have yet to receive a reply. Until she comes clean and tells me where those numbers are wrong she should not go to Toronto and mislead those senior citizens.

Some hon. members: Hear, hear!

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I remind the Minister of Finance that those same senior citizens had asked for a meeting with him prior to the budget. I am having a meeting on Tuesday here in Ottawa with senior citizens representing Quebec and I should be happy to invite him formally.

The Minister of Finance ignores the point I made that there are growing lines of senior citizens, families and children at food banks across this country. Yet he proposes to spend \$14.5 million to sell this tax, to tell Canadians that they need this tax. That is three times the amount of money spent on co-operative housing in Canada per year. If there were no GST, this government would not have to spend \$14.3 million trying to sell it. It could get down to the business of providing essential food and housing for Canadians. Why does the Minister of Finance not just withdraw the tax now?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, just to remind my hon. colleague, I have these booklets here if she wants to receive them, take them to Toronto and hand them out.

My hon. friend talks about people at food banks. She neglects to point out the tremendous progress that has been made over the last few years whereby there are three-quarters of a million fewer Canadians now living below the poverty line than in 1984. The poverty rate fell from almost 17 per cent to 13 per cent during that same period. The average family income has reached its highest level ever, after adjusting for inflation.

The low income rate for children under 16 fell from 20.1 per cent of the population to 15.4 per cent of the population in 1988. The number of adult women living below the poverty line fell by 30,000 last year, a total of 229,000 since 1984.

I do not deny there are problems. But the hon. member should look at the progress that has been made and talk positively about that progress and about how the GST credit will make 75 per cent of these senior citizens better off. That is how we are proceeding to help these people more than what we have done to date.

[*Translation*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I wish to ask the Minister of Finance a supplementary question. The minister boasted yesterday that food banks would not be taxed. Is the minister prepared today to promise