

Finally, it has been brought to my attention that for some industries utilizing electricity and fuel, the cost of electricity will go down because they will get an input tax credit. I don't guarantee there will be, but there could be some depletion of the rate of inflation, or COLA in this country, not that it would not rise, but it would not rise as fast. In fact, I will suggest to you that the GST will have less effect on the cost of living in this country than has the rise in cost of oil through the Iraq war. I believe that will have more effect on our cost of living than will the implementation of the GST with a once-only rise of 1.0 per cent to 1.25 per cent.

● (2140)

**Senator Grafstein:** Senator Barootes, I agree with you: There are statistics and statistics and then damned statistics. Obviously, it is vital, in aid of the amendment proposed by this side, to determine the impact of the GST on families in those sectors of the economy that are less able to protect themselves against costs. We have heard Senator Lucier make a very eloquent plea for those in the north who are not able to protect themselves in terms of choice for fuel. We in the south can choose among hydro-electricity, gas, oil, wood or even coal heat, but those in the north do not have those same choices.

I have been trying to examine carefully, and independently, statistics regarding the impact on lower-income families, whose income is less than \$30,000. We have not generated these figures ourselves. We have had to rely, being the opposition, on independent bodies to prepare statistical data for us, and we realize, as some will suggest on the other side, that some independent studies are more valuable than others, but that only goes to the weight that you put on those studies.

Obviously, the government is convinced that its figures are correct. Having been on the government side, I can tell you that whenever we received statistics from any government department, our first job, as it is of any thoughtful political figure, was to question the figures that we received from the bureaucracy. We on this side have been injured badly by statistics we received from the Department of Finance and Treasury Board when we were on the government side.

**Senator Doody:** Question!

**Senator Grafstein:** My question to you is this: Can you make available to us any independent studies that have been done that support your position that family households, with two children, earning \$30,000, will be better off? I believe you indicated they would be better off by \$150. The statistics that we have show that there will be an increase in tax anywhere from \$20 to \$100 for them, and that, when you get below \$30,000 the number spirals so that a \$25,000 household, instead of being better by \$550, will be substantively behind. Those households with \$25,000 in income will probably be in a position the reverse of what you have said, possibly by hundreds of dollars the other way.

Are you able to present us, or other senators opposite who have given this careful thought, any material, any independent figures, aside from the government figures, to support your contention?

**Senator Barootes:** I do not know what you are quoting from to get your figures.

**Senator Grafstein:** I was quoting from the *Canadian Tax Journal*. The Brooks study came up with different figures, as did the Canadian Tax Foundation when it examined the bill. We on this side have received a series of so-called independent studies that have demonstrated that the impact on families at \$30,000 and under will be greater rather than lesser. All I am asking is that you give us something other than the government figures, because we know that government figures can change due to economic conditions. I should like to know whether or not you have any independent studies, outside of the government, that have so convinced senators opposite of the fact that this tax will be fair and equitable. We have heard, from Senator Lucier and from others from different regions, that the tax will not be fair. We have heard from certain sectors that the tax will not be fair. I am only asking that you give us, if you could, the independent studies that have been done that support your contention. Then, after sober second thought, we may be able to come to a different conclusion about our concerns.

**Senator Barootes:** Yes. I do not have any of them here with me, but there were some presented to us by various organizations, and if I can get my hands on them I will be pleased to pass them over to you and then you can study them in comparison to the government figures. All people within the government are not dishonest. Your figures from the *Journal* and perhaps some others, such as from the CLC, have not been accepted by everybody. It would be interesting for us to examine them, I agree. Incidentally, when I hear somebody say to me that the person in the \$20,000 to \$25,000 earning group spends a larger percentage of his income on electricity and heat, I agree, but I again point out that he also spends a larger percentage of that income on clothing and lodging and recreation and everything else. However, if you want to put it into actual, hard dollars, the low-income person may spend many fewer dollars than does the fellow, like yourself, living in Forest Hill in a 20-room house. I will leave it at that.

**Senator Grafstein:** I have a final question. I know that Senator Barootes is always candid to members on this side. Over the weekend, I read an article in one of the papers dealing with comments made by Mr. Blenkarn, who is chairman of the Finance Committee which reviewed this bill when it was in the other place. He apparently indicated that there were serious flaws in the bill, and he went on to suggest that, had the members in the opposition in the other place been less partisan and more cooperative, a number of amendments would have been obtained. Earlier today we heard the Leader of the Government in the Senate suggesting—and you have confirmed this in your comments, Senator Barootes—that, if we had used a different process here, if we had pre-studied the bill or, according to your suggestion, if the Senate Banking Committee had been more open-minded at an earlier stage to amendments, then the government might have accepted those amendments.

**Senator Barootes:** I did not say that.