

*Government Orders*

effects of the GST. The Conference Board based these assumptions on those of the finance department.

The Department of Finance assumes that the savings of the cut will be passed on to the consumer. This is just a joke. There is no system in place to monitor such a move.

The minister promised Canadians that when he brought in a GST he would remove the 3 per cent temporary surtax on their incomes. He promised middle-income Canadians that he would lower their basic income tax rate. He promised business people that it would be simple to understand and administer. The Minister of Finance did not keep any of these promises.

Not only was the surtax not removed, it went up 2 percentage points. The income tax rate will not be lowered and the proposed GST will be a nightmare for the business community to understand and administer.

Most of all, the Minister of Finance promised that the tax would be fair. Canadians in every part of this country are continually pointing out just how unfair it is.

Is it fair that low-income families and persons living on fixed incomes, including seniors and welfare recipients, will be hurt by the GST? A senior with a given income will pay more, not less, taxes than his or her younger counterpart with the identical income. Sales taxes are by their nature regressive, simply because low-income Canadians spend a larger portion of their income on taxed goods and services than do higher-income people.

For example, according to Statistics Canada, families with incomes between \$10,000 and \$15,000 a year spend 92 per cent of their incomes on current consumption, with about 18 per cent of this being spent on food. In contrast, families with incomes of \$50,000 or more spend only about 56 per cent of their income on current consumption, with only 7 per cent on food.

Although refundable tax credits are intended to compensate poorer families for the increased federal sales tax, many witnesses appearing before the finance committee were convinced that these increased credits would not fully compensate low-income Canadians for the added cost of the GST.

Is it fair that for the first time in Canadian history, books will be taxed? As was pointed out in discussions with the Nepean Library in my constituency, libraries will not be able to purchase on behalf of their clientele as much reading material because of this tax. As a result of the tax there will likely be less variety and selection of works for libraries to choose from because the booksellers will restrict their offerings to potential best sellers with less risk. At the very minimum, libraries will have the immediate impact of 7 per cent less money to buy books. This is at a time when the government is attempting to give the impression that it is fighting illiteracy.

Furthermore, by planning to tax reading but not gambling the government is saying that gambling is more worthy of support than the fight to end illiteracy.

Is it fair that the GST will wreak havoc on the tourism industry? One reason for this is that the GST discourages Canadians from spending their tourism dollars in Canada. This will have a devastating effect on the industry.

In addition, the GST will discourage foreign tourists from coming to Canada. Do we honestly think that these foreign tourists are going to save all those little sales slips and when they leave the country that they are going to turn them in for reimbursement? Of course they will not.

Is it fair that the real estate prices will increase and rents will rise because of the GST?

I realize that my time is getting short and my notes are not getting any shorter, they are still very long.

It is a real privilege for me to stand here because what I am hearing, not just in my riding but in letters from right across the country, is that people are very, very concerned about this. What it has shown me is that this government, as it has on so many other occasions, has failed the test. It is not listening to Canadians.

This government is tricky. It announces changes and calls them tax reform. Over all, the effect is to increase taxes for everyone except the well off. The GST represents a monumental shift in the way taxes are collected in Canada. Once that line is crossed there is no turning back.