

[English]

It is an unfair tax. The credit will not come near to covering it. It hits the lower and middle-income groups most severely. I heard the minister in an unprecedented moment of frankness, and I caught his words and could not believe them, say: "This is a vision of Conservatism at its best". It surely is. It is conservative, regressive, unjust, and hits the lower-income groups at the expense of the average consumer. That is Tory vision all right. That is the myopic type of vision that is tearing this country apart and Canadians cannot wait to get at this minister, this Prime Minister, and this government.

What about food? Originally the government said the tax would apply to food. We protested on this side of the House. Canadians protested across the country. Canadians everywhere said: "We don't want a tax on food". Then on September 2, 1987, the Minister of Finance stated in this House, as reported at page 8700 of *Hansard*:

Let me make it absolutely clear. There is no proposal in this document or any other document in Canada to tax food. That is a fact.

Those were the minister's words. That turned out not to be a fact. That was pure fiction, pure deception, another example of not coming clean with Canadians. The minister was not misunderstood because that afternoon and the next morning every headline in the country stated "no sales tax on food".

What is the situation now, as we find it in the bill? All food in restaurants will be taxed. All food in cafeterias, snack bars and a large percentage of grocery store purchases will be taxed. In other words, over 50 per cent of the food consumed by Canadians, of all food in this country, will now be taxed under this bill. That is the fact. That is not what the Minister of Finance told us a year and a half or two years ago.

To add insult to injury, the Prime Minister is trying to sell this as a tax cut. He is going across the country and he is saying: "You know, it is very simple. We got this manufacturers' sales tax of 13.5 per cent. We are coming in with a new sales tax which is going to be 7 per cent. From 13.5 per cent down to 7 per cent, you have never had it so good, you have never had it so lucky. We are reducing taxes for you". That is a dandy. That is the most

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unbelievably fraudulent way to treat Canadians that I have heard for some time.

I brought this to the minister's attention the last time we stood in the House on a similar occasion. I have not yet heard him play this particular game, but I wish he would take the same blackboard and explain it to the Prime Minister. It does not take a mathematical genius to figure out that with a new 7 per cent retail sales tax on any retail item, for instance furnishing for your home, an armchair at \$300, a 7 per cent tax on that \$300 for the armchair is \$21. Right? If you go down to the wholesale price of that armchair, it is \$100, because markup works that way. The wholesale price is about \$100 while the retail price is about \$300, and 13.5 per cent on \$100 is \$13.50, and 7 per cent on \$300 is \$21. Anybody who understands the market at all knows that a smaller tax at the retail level is bound to be a heavier tax than a larger tax at the wholesale level.

Last week the minister offered me a briefing. I suggest that I can arrange with one of the local high schools, perhaps Rideau or Laurentian or perhaps I can work it out with one of my colleagues here who had the honour of representing 19 high schools in his riding at one time, to give the minister a remedial course in basic mathematics. We may have to get into second or third-year algebra and maybe a little trigonometry to help take us through this particular document.

• (1620)

This tax does not meet any of the criteria that the Prime Minister and the Minister of Finance set out for the country during the election campaign and during the discussions when they set forth their original documents.

The tax is not yet visible. It is not simple. It is not fair. It does not have the co-operation of the provinces, and it is certainly not revenue neutral. I say to the minister, who keeps asking us for alternatives, that we set forth our alternative posture in the minority report. I am saying to the minister that this tax cannot be rescued. It cannot be salvaged. It does not meet any of the principles that he set forth as the basis for a fair tax of this style at the consumption level. It does not meet any of the criteria that the Prime Minister promised the country. This tax is nothing but a licence to print money for the Government of Canada and it is a licence that Canadians want revoked.