

Oral Questions

reference to the GST, and I quote: "We hate it and we will kill it". According to today's media reports, however, not only is the GST here to stay but it will be hidden in order to better extend it to basic goods and services.

After making a formal commitment to abolish the GST, how can the Minister of Finance justify the fact that his government is considering maintaining this tax in a hidden form while extending it to food, medicine and health care?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I am told that the committee report will be presented to the House this afternoon. I am eager to read it. The member is on the finance committee and should know better than to quote newspapers before the report is even tabled in the House.

When the report is presented, we shall see—and I am very confident because the members worked very hard—whether the committee managed to replace the GST, as we promised.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, since low-income earners, the sick and the elderly will be the first victims if the GST is extended to basic foodstuffs, health care and medicine, can the finance minister explain to us, in the light of the recent unemployment insurance cutbacks for which he is primarily responsible, why his government persists in hounding the most disadvantaged members of society?

[English]

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the member keeps making reference to a finance committee report which is going to be submitted to the House.

I hope at the same time the committee report is submitted that Bloc Quebecois members will be giving us their views. I hope that unlike the previous question those views will be constructive and not simply destructive.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, my question is for the Deputy Prime Minister.

During the election campaign Reformers said we would cut spending, balance the budget and then get rid of the GST. The Prime Minister said he would scrap the GST. He said: "We hate it and we will kill it".

Does the Deputy Prime Minister and her government still adhere to this policy?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Yes, Mr. Speaker.

• (1425)

Mr. Jim Silye (Calgary Centre): Mr. Speaker, we are going to adhere to our time schedule today with answers like that.

Will the Deputy Prime Minister admit it was irresponsible for her party to campaign on a promise of scrapping the GST when it has no plans to make the spending cuts necessary to really get rid of the GST?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the only party that has done a 360 degree turn on its position on the GST is the party to which the hon. member opposite belongs. His leader campaigned in favour of the GST. However when he read the public opinion polls, he turned around and campaigned against it.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, 360 degrees puts us back where we started.

It is obvious the Liberal government plans to introduce the son of GST, an allegedly new tax with a new name that will be called the value added tax. I predict that if this becomes government policy, very soon Canadians will be calling it the very awful tax, just as they do in Great Britain. If the biggest change to the GST is just its name, this is a betrayal of Liberal campaign promises.

Would the Deputy Prime Minister admit that she has created a political hot potato because she has not been clear with the Canadian taxpayers and is now trying to double talk her way out of an election promise?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the only party that has been double talking the Canadian taxpayers is the party opposite.

The Liberal Party campaigned on a promise of getting rid of the GST. From the very moment the Prime Minister made that promise, he told the Canadian people very honestly that when the GST was abolished it would have to be replaced by something. The report we are going to read this afternoon will underline the contents of various options which will be examined by cabinet and by the Prime Minister.

I can say one thing. There is one person in this House who fully intends to live up to every promise he made. He is the Prime Minister of Canada.

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[Translation]

INDIAN AFFAIRS

Mr. Claude Bachand (Saint-Jean): Mr. Speaker, according to Statistics Canada figures published in the daily *La Presse*, Ottawa makes overpays native band councils by over \$1.2 billion every year. This money is paid to over 70,000 apparently non-existent natives and represents nearly one quarter of the overall \$5.5 billion budget allocated annually by Ottawa to native communities.

My question is for the Minister of Indian and Northern Affairs. Can the minister confirm this report?