

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

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the Minister of Finance speaks of the goods and services tax. I would like to quote Mrs. Jean Woodsworth, president of *One Voice*, the Canadian seniors network. She said: "The tax on goods and services means hardship on seniors. It seems that low and middle income seniors will be pushed toward poverty. The proposed tax credits do not reassure them." That is what seniors think of the minister's answer.

[*Translation*]

Mr. Speaker, the minister knows that the elderly need the services of lawyers and accountants, as well as certain general maintenance services such as plumbers, electricians, car mechanics, and also homemakers, either to do their shopping or housecleaning. All these services will be taxed under the GST proposed by the government. The minister will have 4,000 tax policemen to monitor the application of this tax.

Doesn't the minister agree that these additional tax levies are unfair to our grandparents?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will say to the hon. member and to the Leader of the New Democratic Party that we have indicated in the GST paper dated December 19 the impacts of the GST combined with the GST credit. Let me just read out for the hon. member the impact on single individuals over 65. With an income of \$12,500 they are better off by \$148; with a \$15,000 income they are better off by \$80; with a \$20,000 to \$25,000 income they are better off by about \$140.

If the member for Kingston and the Islands and the member for Yukon disagree with these figures, they owe it to the seniors of this country to prove where those numbers are wrong, numbers that have been certified by the best in the Public Service of Canada. If they cannot prove that those numbers are wrong, they should not be misleading senior citizens.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, if the minister had listened to my question, he would realize that senior citizens are the ones who say this tax is wrong; not just me.

We have two wrong policies here: the goods and services tax and high interest rates. The minister knows that the cash payments will be inadequate to help seniors who are spending all or nearly all their income to maintain themselves. Even funerals are to be taxed.

The minister urges Canadians to buy now and beat the tax. Does the minister not realize that seniors find this pay now and die later tax policy repugnant?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member is neglecting to point out to the senior citizens to whom he has been talking the number of things that are not taxed under the GST.

Rentals are not taxed. Residential rents are not taxed. Basic groceries are not taxed. Meals-on-Wheels are not taxed. Health services are not taxed. Glasses and hearing aids are not taxed. Medical devices, canes, wheelchairs, and things like that are not taxed.

A wide range of products is not taxed under the GST. Those exemptions, together with the GST credit, are what makes this tax a fairer tax for senior citizens today than is the case with the existing sales tax.

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CANADIAN NATIONAL

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister.

I want to return to the matter of Brian Gallery and Canadian National. Could the Prime Minister confirm that Brian Gallery has resigned only as vice-chairman of Canadian National and remains on the board of Canadian National at the nomination of the Prime Minister?

Right Hon. Brian Mulroney (Prime Minister): I was informed, Mr. Speaker, before coming into the House that he had resigned both as a director and a vice-chairman.

My understanding is that he could not hold the position of vice-chairman unless he were a director.

Hon. Herb Gray (Windsor West): Mr. Speaker, one of my colleagues just checked with Canadian National and was informed that Mr. Gallery is still on the board.

I would appreciate it if the Prime Minister or the Minister of Transport would confirm to the House, immediately after Question Period or during Question Period, whether or not Mr. Gallery remains on the board of directors. If his conduct is such that he should resign