

*Government Orders*

admission, moved at least half of \$18 billion from the corporate level to the individual level.

I know that my time is up and I appreciate your indulgence, Mr. Speaker.

[*Translation*]

**Mr. Charles DeBlois (Montmorency—Orléans):** Mr. Speaker, I have a brief comment and a question for the hon. member for Ottawa South (Mr. Manley). Earlier, he was poking fun at the text of the bill as he quoted a few passages. I may remind the hon. member that any text about taxation will inevitably contain indications that, on the face of it, may seem overly technical and sophisticated. However, I may remind the hon. member that this tax bill is supposed to replace the present legislation which contains 22,000 exemptions that could fill a dozen volumes. I am sure that if he played fair ball and quoted the exemptions that have accumulated over the years, it would be a very entertaining experience.

I have only one question for the hon. member. I think the GST has both interesting and difficult aspects. It is a revised form of an existing tax. Part of the good news, as I told my constituents, is that I am going to wait until the GST is introduced to buy a new car, because as of January 1991, we can expect to pay between \$500 and \$600 less for a car that costs between \$15,000 and \$16,000. That is what I tell people. This is very good news.

Am I to understand the hon. member for Ottawa South is against reducing the federal tax on cars? How will he explain to his constituents, who will be glad at the news, that he is against the tax? How can he argue against this price reduction?

• (1540)

**Mr. John Manley (Ottawa South):** Mr. Speaker, I have two things to say, first, on the subject of simplicity. The hon. member will have to admit that the minister, not I, said that one of the objectives of tax reform should be simplicity. So my question was: Does this bill reflect the government's desire for simplicity? I haven't read all the difficult parts, the technical parts that apply to the oil sector, for instance. I looked up the parts that apply to music teachers, but if they don't understand the parts

that concern them, we have a problem, if simplicity is what the government wants.

Now about cars, obviously the Conservative Member and his friends always buy new cars. I am just your average Ottawa lawyer, and I usually buy used cars. The hon. member will have to admit there will be a sales tax of 7 per cent on used cars, although at the present time there is no 13.5 per cent sales tax on used cars.

[*English*]

I want to make the point for my constituents in Ottawa South as well, who I know do not always get the translation on this. Yesterday the Minister of Finance tried to make the point that there is going to be great savings on cars. Well, it may be, because we are dealing with an oligopoly and because we know that the big business community is supportive of this tax, whereas the small business community is grossly opposed to it, entirely opposed to it, that there will be a small reduction in the price of automobiles. That happens to be one of those sectors where it is a very short trip from the manufacturer's level to the retail level.

But as the member should know, the manufacturers' sales tax does not apply to the resale of used cars. The goods and services tax will apply to the sale of used cars. So any benefit in the car market to be gained by the goods and services tax is going to be gained by those fortunate Canadians who are still able to go out and buy a new car. We would all love it. And the bigger car they buy, the more they are going to save. But when those little Canadians, like myself and my friend from Gloucester, go and buy a used Chevy, we are going to have to pay the 7 per cent which we did not have to pay before.

**Mr. Waddell:** I am tempted to tell the hon. member for Ottawa South that he might consider a bicycle or something like that as he becomes a smaller and smaller little guy or whatever.

He did well to use the example of the music teacher and the details of the tax to show that in fact it is a very complicated tax. That is part of the reason for the great opposition in the country. Certainly amongst the small business community that is one of the main reasons for the opposition.

But I thought he was rather gratuitous in his snide remarks about the NDP. We have been trying to lead opposition to the GST. Rather than being snide about it I