

whether they are the polls which the NDP pays people in the United States to do.

The only poll which has the least bit of significance in a democratic society is the one which occurs on election day. All we can ask of Canadians at that time, probably some three years hence, is to mark the report card. They are going to judge based on which party had some sort of concrete approach to the debt problem. Was it a party which, yes, did raise some taxes; yes, did put forth some spending cuts and some restraint proposals in an attempt to do something about it? Or are they going to go with the opposition parties which have nothing to offer but mindless criticisms?

• (1730)

The Acting Speaker (Mr. Paproski): I apologize to the hon. member for Gloucester and the hon. member for Edmonton West. The time has run out on questions and comments.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I too, am pleased to stand in the House today to express my concern over the proposed goods and services tax, Bill C-62.

Lately the government has been playing the smoke and mirrors game by claiming that it is listening to Canadians and has thus brought down the rate of the proposed goods and services tax from 9 per cent to 7 per cent. The finance minister loves to tell us what a great guy he is for this reduction. However, he does not point out that he will make up the revenue he would have gained had it been 9 per cent by implementing other tax measures.

In other words, to help compensate for a revenue decrease of almost \$6 billion, the minister plans to scrap income reduction for middle-income earners, reduce the refundable tax credits for low-income Canadians, reduce housing rebates, and reduce the indexation for family allowances and old age security. These are but four of the ways the minister will get back what he so arrogantly infers is money owed to him.

When each of the new highlights is added up, the total revenue for the government is \$5.9 billion, or exactly what would have been made if the tax was introduced at 9 per cent instead of 7 per cent. Thus the finance minister will have taken the same amount of money out of the pockets of Canadians. It is simple math, and

Canadians will not be fooled. Canadians are not that dumb.

Here we are with a government that expects credit for saving \$450 million by not doing something that it never intended to do in the first place. Canadians understand this tax, and they are loudly proclaiming that they do not want it.

The latest Gallup poll shows that 74 per cent of Canadians are opposed to the GST. We all know how much the government watches polls. Perhaps it should start listening to Canadians.

Canadians realize that the 7 per cent proposal is just as offensive as the 9 per cent proposal. Canadians realize that this is a tax faucet for the government. Once installed, the drip can and will be turned to full flow. In other words, the tax will easily get to the government's desired rate of 9 per cent or more.

Let us not get bogged down with proposed rates because this government has proven time and time again that it believes rates are there to be increased. After all, since the member for Etobicoke Centre became the Minister of Finance he has increased various taxes to Canadians 31 times. This is the same minister who termed the manufacturers' sales tax a silent killer of jobs because it damages the competitiveness of Canadian exports.

However, he has not hesitated to increase the rate of the MST on four separate occasions over the past five years. If the MST is such a great evil that it desperately needs to be replaced by the GST, then how could he justify these increases?

This does not say that I like the MST. I do not. I just believe that you do not replace a bad tax with a horrendous tax.

This proposed tax is everything the Minister of Finance promised it would not be during the 1988 election campaign. During that time the minister swore that he would not bring in a GST unless he had provincial co-operation. Well, he does not have that co-operation.

He also promised that any GST would be revenue neutral, visible and non-inflationary. It is none of these things. In fact, the Conference Board of Canada estimates that the rate of inflation will be between 1 per cent and 1.5 per cent. The government admits that this number is reached by taking a very optimistic view of the