

Oral Questions

Yesterday in this House the Minister of Finance said there will be no additional tax burden on Canadians from the GST and that the tax would be revenue neutral.

A recent government radio ad states: "The GST, the new tax will provide a more reliable source of revenue which will help to reduce the national deficit."

I would like to ask the minister: Which is it? Is it revenue neutral or is it a tax grab?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I will explain once more, as I have in this House quite a few times, what is meant by revenue neutral.

At the present time, we have a tax which is hidden. It is a disaster for our economy. We want to remove it. The present federal sales tax has an additional weakness. It is easy for companies to avoid it. It is a tax which is porous and tends to disappear as we raise the rate. By replacing it with a tax that is more modern and more efficient, we will have more guaranteed income to pay for the programs that Canadians want.

The tax will be neutral, but it will be a better system. As we go on, fewer companies will be able to avoid it.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, my question is to the Minister of State for Finance. It deals with his government's latest attempt by radio ads to mislead Canadians about the impact of the goods and services tax.

The text in one ad says: "The GST is not an additional tax." How can the minister possibly justify that statement when in fact his own documents show that thousands of goods and services never before taxed by the FST are now included in this goods and services tax? Why does he not come clean with Canadians, stop this misleading propaganda and—

Mr. Speaker: The hon. member has put her question.

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I must admit that I do not have any great confidence in the capacity of the Liberal opposition to add or subtract in view of the debt they left this country in a few years ago.

I would like to explain to the hon. member that one minus one is not two. We are removing one tax. We are replacing it with another one. It is not an additional tax.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, perhaps the minister should ask every householder who is going to pay 7 per cent on his or her heating bills next winter how they feel about it.

This same radio ad, which is aimed at consumers, implies that the GST will actually lower prices to consumers. Mr. Speaker, can you believe this kind of statement? His own documents clearly indicate that the GST will raise the Consumer Price Index by 1.25 per cent. The documents say it.

Will the minister withdraw these untruthful ads and apologize to Canadian taxpayers for this latest attempt to buy this—

Mr. Speaker: I think the hon. member has put the question.

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, once again it is obvious that the hon. member has not understood or does not want to understand what this reform is all about. There are many aspects to it.

The hon. member will look at the CPI, but she fails to read the part in the technical document which states that this reform will increase the economy by \$9 billion, bringing additional jobs and additional prosperity. This is what is meant by the increase in our economy. She should look at that. By removing from our exporters the additional weight they have to carry now, we will allow them to improve their performance and the performance of the Canadian economy.

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[*Translation*]

THE ENVIRONMENT

Mr. Phillip Edmonston (Chambly): Mr. Speaker, my question is for the Deputy Prime Minister and concerns what is happening in Saint-Amable, which is 15 kilometres from my riding. Between 10 and 20 million tires are burning there. I give you this figure from statements made by the owner of the Saint-Amable tire dump; he himself has admitted it.

It is so serious that today I ask, Mr. Speaker, when the federal government will meet its responsibilities—