

the low-income credit will result in Canadians, with incomes of less than \$30,000, paying less tax.

Why, in face of all these benefits, should we pursue the route that is pursued by the Leader of the Opposition which is precisely, politically motivated in a very cynical way?

**Some hon. members:** Hear, hear.

**Hon. Herb Gray (Leader of the Opposition):** Mr. Speaker, the minister's self-righteous and rigid point of view will not help Canadians who are being, daily, damaged by his policies.

He talks about concern for low-income Canadians and yet, today, the Toronto-Dominion Bank in a report states:

The inflationary pressures from the GST will become much more pronounced in the early months of 1991, when the tax will be levied on nearly all goods and services at the retail level.

It goes on to state:

Another contraction in the economy is forecast in the first quarter of 1991 as the full effects of the implementation of the GST are felt.

[*Translation*]

So I ask the Minister of Finance why would he insist on imposing his GST when experts say that it creates serious problems? One of the experts is the Prime Minister himself who admits that the GST creates serious problems, while others like the Toronto-Dominion Bank state that the minister's policies have led us into this recession.

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, we all listen to this continuing rhetoric that the Leader of the Opposition and other members have about the goods and services tax. We got a little bit more of it from Jean Chrétien last night when he said, critically, of the leader of my party, the Prime Minister: "It is always my way or the doorway."

Well, what is Mr. Chrétien's way? First, Mr. Chrétien's way is to say: "It is irresponsible to scrap the tax unless we have an alternative." But then he says: "I want this tax dead." But then: "We will review it. I'm forming a committee to consider alternatives." Mr. Chrétien's way is to say: "My way or no way—maybe, possibly".

### *Oral Questions*

We might get some answers from Mr. Chrétien, but we certainly do not know which way is his way.

**Some hon. members:** Hear, hear.

[*Translation*]

**Mr. John Manley (Ottawa South):** Mr. Speaker, my question is directed to the Minister of Finance and has to do with the Prime Minister's promise to change the GST even before it is adopted by Parliament.

Before forcing Canadians to swallow the GST, why does the minister refuse to admit that this tax is basically wrong and that it unfairly applies to other things besides books, for instance newspapers, funeral services, home heating, children's clothing and housing?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, it was well known to the Liberal Party of Canada, when it supported an approach to a broad-based sales tax in a committee of the House and a committee of the Senate, that a broad base included all those products.

Why did the Liberal Party of Canada support those resolutions and why has it changed its mind now? The only reason that anybody can give for that is pure, cynical politics or as Donato has written in a cartoon in the *Sun* today: "Sure we have to kill the GST, Allan," says Jean Chrétien, "but don't kill it too much. After we win the next election, we're going to need that extra money."

That is the reason why the Liberal Party is flip-flopping all over the map on this one. It does not have any alternatives because the Liberals do not want to have an alternative.

**Mr. John Manley (Ottawa South):** Mr. Speaker, the Prime Minister seems to be willing to change his tax, but the Minister of Finance is not. We have to wonder whether it is the government's tax, or whether it is just the minister's tax.

The Prime Minister yesterday finally admitted what Canadians have known all along, which is that the GST is going to have been changed because it is flawed. The height of stupidity is that the government now seems ready to attempt to fix the GST after it has implemented it. It will be the first tax ever to be changed before it has even been passed.