

Oral Questions

• (1450)

We would ask the task force which is looking at this particular issue in detail to look also at the issue of the farm debt review boards and whether they should play a permanent role in the future.

Having regard to the success and the very comprehensive review that is being undertaken, I can only say that we will make a decision in the best interests of the agricultural community. I hope that will meet the concerns of the hon. member.

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GOODS AND SERVICES TAX

Mr. John Manley (Ottawa South): Mr. Speaker, on January 29 the Minister of Finance said in this House, and I quote: "About one half of the \$18 billion in federal sales tax revenue currently comes from the taxation of business inputs."

My question for the Minister of Finance is very simple. It requires just a yes or no answer. Will he agree that the change from the manufacturers' sales tax to the goods and services tax represents the single largest reduction in tax burden at the corporate level in the history of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think my hon. friend is playing with words here because he knows that any consumption tax is always paid by the final consumer.

What we are trying to do is ensure that the amount of that tax is the same for all products, rather than having some products taxed at an effective rate of 1 per cent or 2 per cent and other products taxed at an effective rate of up to 13.5 per cent. That is the precise reason why we are moving to a goods and services tax.

The hon. member is trying to be just a little too cute with the question that he has just asked.

Some hon. members: Oh, oh!

Mr. John Manley (Ottawa South): Mr. Speaker, you might say that that was a bit of a cute answer.

The minister cannot have it both ways. Either the reduction tax in business inputs is going to increase the money available for capital investment, which he has been claiming is one of the benefits of the tax, or it is going to be passed on to consumers. It does not work both ways.

[*Translation*]

So I will repeat my question, and it is as simple as this: Does replacing the manufacturers' sales tax with the GST represent the biggest reduction in corporate tax in Canada's history, yes or no?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that sounded very much like the same question. The answer is still the same.

Taxes that are consumption taxes are paid, ultimately, by the consumer. Businesses are collectors of taxes along the way. They pass those taxes on through their price to the consumer. In that way the consumer ends up paying.

That is precisely the problem with the existing tax because, depending on the method of distribution and depending on what the tax rate is on the basic product, there may be a tax rate of 2 per cent, 5 per cent, 7 per cent or 13.5 per cent. In some cases I have heard of tax rates at 19 per cent.

What we are trying to do through this GST reform proposal is to ensure that all products are taxed at the same rate of 7 per cent where they are taxable.

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JUSTICE

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is for the Minister of Justice.

We all know that one judge in this country called a three-year-old girl sexually aggressive. We all know that another one said that sexual assaults against native women were not so serious. We all know that a third said that rules like women were made to be violated.

We all know, too, that Madam Justice Wilson at Osgoode Hall last week called for education of all judges on gender issues.

Will the Minister of Justice assure this House that such programs will immediately be undertaken? Will he personally oversee this small step on the road to true equity?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, my hon. friend will know that in the previous administration of this government we set up the Canadian Judicial Centre to provide courses and training for the judiciary.