

*Oral Questions*

[Translation]

**TAX REFORM**

## OPPORTUNITY NOT TO TAX FOOD

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, my question is directed to the Minister of Finance. The Canadian Food Supply Association states that food costs will increase by 12 to 13 per cent if the Government goes along with its option to put an 8 per cent tax on food. Moreover, the Canadian Council of Social Welfare has stated that the present sales tax credit is inadequate, and has clearly shown that a family with a \$10,000 income has to pay, as a result of increasing consumer taxes levied by this Tory Government, \$353 while only getting a \$150 tax credit.

Considering the failure and the inadequacy of the sales tax credit and in view of the position of the Canadian people, will the Minister not believe that it would be advisable to scrap this idea of taxing food?

[English]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am not sure where the Hon. Member was yesterday, but I answered part of the same question to his colleague from Trinity. The Hon. Member in the course of his preamble said that the tax credit, the existing refundable sales tax credit, today is insufficient. We agree with that. That is why we have said that there will be a major increase—so it will be in the hundreds of dollars—in the refundable sales tax credit. It will be paid regularly to recipients. It will be paid in advance to recipients.

Those are the key elements of the proposal. These are the things on which we want to consult with members of the general public through the activities of the Finance Committee and that way come up with an appropriate combination of factors which will result in a fairer, more effective sales tax system than we have today.

The Hon. Member, I am sure, is very well aware that the position of his Party, as is the position of the New Democratic Party, is to change the existing sales tax system because the existing system is not equitable.

[Translation]

COMPLETE REIMBURSEMENT OF CONSUMER TAXES—  
GOVERNMENT POSITION

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, I am pleased to see that the Minister admits the failure of his sales tax credit and all the taxes he has levied, and that he also acknowledges that families with children are penalized. My question is simple. In view of this failure and the acknowledgement he just made before carrying out his proposal and adding an extra tax on food and imposing new taxes, would the Minister be ready to table a motion aimed at refunding completely the consumer taxes levied by his Government since September 4, 1984, and not 50 per cent like

he is doing now, since the Minister has admitted that the tax credit is not high enough?

[English]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am absolutely stunned by the allegations which the Hon. Member has just made. There has been a sales tax in this country for 62 years. A refundable sales tax credit was brought in this past year, in 1986. The previous Government had been around many, many years. The Government which the Member supported for many years had opportunities to bring in a refundable sales tax credit. If the Hon. Member could close his mouth and just listen for a while he might learn something.

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** I know it is difficult for him to do that because I know he has to be out there making a lot of noise, but let me tell him—

**Mr. Speaker:** The Hon. Member for Skeena.

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**ENERGY**GAS EXPORTS TO UNITED STATES—ELIMINATION OF SURPLUS  
TEST

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my question is for the Deputy Prime Minister. Up until May, 1986, there was a 25-year surplus test for gas exports, a policy kept in place while the Hon. Member for Yellowhead was the Prime Minister of Canada. It was dropped a year ago to a 15-year surplus test and, as of today, there is no longer a surplus test.

Could the Deputy Prime Minister explain why no surplus test is required for this non-renewable resource, or is the removal of the 15-year surplus test part of the free trade deal whereby energy policy will be set in Washington?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member's suggestion is absolutely false. The National Energy Board has come down with a ruling. The Government welcomes the new procedure which is fully compatible and co-existent with the market oriented policy that we have established for oil and gas. The procedure clearly has sufficient protective provisions in it for Canadian consumers. When there are any difficulties, the NEB can intervene whenever it finds an increase in exports would impair the ability to serve the Canadian market.

## EFFECT OF POLICY

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my supplementary question is also for the Deputy Prime Minister. Would he explain that part of his market policy? At the present time the