

Oral Questions

incompetence, defeat and lack of political will, especially on abortion and on gun control.

ORAL QUESTION PERIOD

[English]

GOODS AND SERVICES TAX

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance.

Last Friday, the government tabled supplementary estimates in which it tried to use the Persian Gulf crisis as a smoke-screen to hide its own economic mismanagement. An example of this mismanagement lies in the numbers for the government's plans to implement the GST.

Last month, the Minister of National Revenue said that the government will be spending \$260 million to bring in the GST. But if we look at the supplementary estimates tabled last Friday, we will find the government intends to spend, not \$260 million, but more than \$380 million just in this fiscal year, until the end of March alone.

Why will the Minister of Finance and the government not admit that they have no idea just how much it is going to cost to bring in this unfair tax? Why will the government not listen to Canadians and scrap this tax, before it wastes millions more of taxpayers' dollars trying to get ready for a tax that Canadians have said over and over again they just do not want?

Some hon. members: Hear, hear.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, it is obvious that the Leader of the Liberals in the House does not know the difference between apples and oranges. That is precisely the type of arithmetic that he is using to try to establish the cost of implementing and preparing the GST.

There are two levels of additions to be made: one for the collection and administration, and one for the preparation and implementation. The figure that I quoted last month was that I was estimating \$260 million

for costs this fiscal year for the preparation and administration of the GST.

The supplementary estimates confirm that that figure, in fact, is going to be \$257 million. When he adds in social services, such as social benefits which will be accrued to some eight million Canadians who will receive the GST credits, then of course the figures are larger.

Is the member suggesting that social elements of the GST are the same as administration and preparation? Is he against the GST credits? If he is against the GST credits, he should stand up and say so.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, my supplementary question is directed to the Minister of National Revenue.

What he just said is another example of this government's tortured logic. It wants to have Parliament approve the spending of another \$108 million to help send out rebate cheques to some of the thousands of Canadians who are going to be clobbered by this unfair GST.

Does the Minister of National Revenue not realize that these rebate cheques would not be necessary if the government was not proceeding with the GST? All these rebate cheques do is try to make up for just some of the negative effects of this unfair tax.

I ask the minister to answer this question on behalf of the government once again: Why will the government not come to its senses and drop this unfair tax?

Some hon. members: Hear, hear.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the Opposition talks about people being clobbered by this tax.

Let me remind him that when he was in the government, there was no GST credit. There was no refundable sales tax credit. People in low income brackets paid indirectly through the price of the products that they bought. They paid sales tax and they got no credit for it.

The result was that people with low incomes paid three or four percentage points more of their income in sales tax than those in upper income brackets.

• (1420)

The result of the GST credit is that will be reversed. People in low income brackets will pay two or three