

Oral Questions

regulation, will the minister be out there asking for our arrest and for our jailing?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, not this minister, not any minister of this government, asked for anybody to be arrested and jailed. Regulations were promulgated in keeping with a request from an all-party committee of this House, including the hon. member.

Mr. Riis: You are all lying again.

Mr. Andre: Those regulations, according to law, are to be enforced by the RCMP. The RCMP enforced those regulations, as I understand it. If the hon. member does not like the regulations or does not like the RCMP being on Parliament Hill—

Mr. Barrett: You're liars.

Mr. Speaker: The hon. member for Sudbury.

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GOODS AND SERVICES TAX

Mrs. Diane Marleau (Sudbury): Mr. Speaker, my question is directed to the Minister of Finance for a little change of pace.

Canadian consumers will be hard hit by this government's proposal to tax with the GST such essential commodities as hydro and home heating fuels.

Yesterday Ontario Hydro announced that its rates will rise by well over 12 per cent next year, in large part as a result of the proposed GST.

Some hon. members: Oh, oh!

Mr. Duhamel: It is really funny, a 12 per cent increase!

Mrs. Marleau: Whether you think it is funny or not, this is the equivalent of an extra month's payment. Instead of 12 payments a year, it is like having 13 payments on the electrical bill for every household in Canada.

How can the minister justify asking Canadians to pay so much more on such basic human necessities as heat and light?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to advise the hon. member that there is tax now in her hydro bill. There is federal sales tax today

in the hydro bill as a result of the fact that there are elements Ontario Hydro used which are subject to federal sales tax.

The hon. member is saying not to tax electricity. The impact of that is that those people in this country who have a large house heated by electricity will get the biggest tax benefit compared to someone who has a small house that is also heated by electricity. She is telling us to give a tax benefit to those people who live in the largest houses because they are the larger users of electricity.

What we have suggested is to tax the product and then give the low income earners the benefit of the GST credit, which is a cheque paid four times a year that will offset the impact of the GST. In fact families earning less than \$30,000 will be in a better position than they are today. We believe that is a much fairer way of treating the question.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, this is a shocking answer. We do not want the tax at all.

Some hon. members: Hear, hear!

Mrs. Marleau: What this latest 12 per cent Ontario Hydro revelation leads us to believe is that Canadians will be far worse off with GST, especially those of more moderate means.

Does the minister not consider heat and light just as essential as food, and is not this just another reason to scrap this tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are going to scrap a tax. It is called the existing federal sales tax which is a tax that is hurting low income people, particularly in relation and in comparison to the proposed goods and services tax.

If my hon. friend is saying we should exempt electricity or exempt heating fuel and give the biggest benefit to those people who live in the biggest houses, which are the biggest users of heating oil and electricity, and not provide the low income people with a GST credit, I do not know where her measure of fairness is. Why does she want to give the biggest tax break to the people who own the biggest houses and take away the GST credit, that cheque that goes to low income people which make the GST a fair sales tax? Where is her sense of fairness?