

Adjournment Debate

the social aspects of it. Once that debate has occurred across Canada then we proceed with the will of the people in mind.

There was no debate. There were promises made, promises broken. Debate did not occur. It was introduced in a tax bill where it could not be fully debated and forced through by the government using time allocation. The universality of those social programs has ended without full debate. For that I think the government must be held to account.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I think we should put the problem into perspective. This means realizing the fact that we have a national debt that has now reached \$320 billion and is a threat to Canadians. Mr. Speaker, \$320 billion isn't peanuts. It's a major problem.

That being said, if we look at what the situation was in 1969, Mr. Speaker, 12 cents of every tax dollar was spent on paying our debt. This year, it is 35 cents. Out of every tax dollar collected by the Canadian government, 35 cents goes to pay Canada's debts, debts that were accumulated during the previous administration. If we want to go on having social programs in the future, if we want to ensure that Canadians will have the social programs they want and to which they are entitled, I think that at a time when we are talking about budgetary restrictions, we must consider those Canadians who have high incomes and who can help the Canadian government pay off this enormous national debt.

Mr. Speaker, we are saying to the 2 per cent of Canadians with a gross annual income of more than \$77,000 that they are going to pay back part of the old age security pension they receive at a rate of 15 per cent. Only this group of Canadians is affected by this measure. Mr. Speaker, I think that if we asked Canadians over 65 with a gross annual income of \$77,000 if they were prepared to give a little more to their country than a person who has a much lower income, they would have to admit, although perhaps not willingly, that they don't need an old age security pension from the Canadian government.

In concluding, Mr. Speaker, I must say I am surprised that I should have to explain all this to my Liberal

colleague. It seems that only two days ago, at a Liberal orientation conference in Toronto, they recommended removing social programs and introducing instead a guaranteed annual income. Implicitly, this means doing what the present government will do by taxing high-income Canadians at a somewhat higher rate.

I see, Mr. Speaker, that you are telling me that my time has expired. Thank you.

• (1750)

[*English*]

PROPOSED GOODS AND SERVICES TAX

Mr. Joe Fontana (London East): Mr. Speaker, I rise to further inquire of the Minister of State (Housing) about the effects of the GST on housing affordability.

I said on November 28, 1989 that if the goods and services tax is applied to a new home, it is not a tax on consumption. It is a tax on a dream. It is a tax on savings and it is a tax on a basic essential of life, shelter.

This government has reneged on its promise to mitigate the negative repercussions of the GST on the affordability of new home ownership, on housing. The result will be reduced accessibility to home ownership on the part of Canadians, especially those who live in high cost markets such as Toronto and Vancouver.

The government promised to ensure that there was no negative impact on housing affordability from sales tax reform and that the new tax would not be allowed to prejudice the reasonable opportunity for home ownership that Canadians would otherwise have enjoyed. In other words, the new system will not pose a barrier to the affordability of housing.

A rebate of 2.5 per cent of the GST is payable on new homes that are principal residences priced at less than \$350,000. The rebate then declines sharply to nil for homes above \$450,000.

The average home priced at around \$150,000 in this country will be taxed at a rate of 4.5 per cent after the rebate. The Conservative government has assured the people of Canada on numerous occasions that the rebate guarantees that the GST does not pose a barrier to the affordability of new homes in Canada. I disagree and I have the figures and calculations to back me up.