

*Oral Questions*

**Mr. Clark (Yellowhead):** I assume that there is an interest here on the part of members of the New Democratic Party in achieving an agreement that will allow us to approve the Meech Lake Accord.

I do not like to see thumbs down by members of the opposition on a matter of this importance.

We are trying to proceed step by step toward an arrangement which will achieve constitutional agreement in the country and, by doing that, allow us to get on with other essential items on the nation's constitutional agenda. I hope that has the support of all members of this House of Commons.

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**GOODS AND SERVICES TAX**

**Mr. John Manley (Ottawa South):** Madam Speaker, my question is for the Acting Minister of Finance.

Yesterday, in bringing in his new quick method for accounting on the GST, the Minister of National Revenue effectively admitted that the GST was so complex that a new simplified method had to be found. In doing that they had to sacrifice the promise that the GST was going to be visible.

I would like to ask the government, through the Acting Minister of Finance, what other promises about tax reform are going to be given up on by this government by the time the GST is implemented?

**Hon. Otto Jelinek (Minister of National Revenue):** Madam Speaker, if the hon. member had followed the process for the preparation and implementation of the GST, he would know that I as the minister responsible for administering this tax have stated for well over a year that we will continue to work with the business community, particularly the small business community, to look for and add any new options that could reduce some of the complexities that exist, particularly for the mom and pop type of operations that do not have the resources to do any additional calculations.

I confirmed that fact in the Standing Committee on Finance not too many months ago and stated that I would be making an announcement in the not too distant future.

This announcement has been welcomed by most of the organizations across the country, including the Retail Council of Canada, the Canadian Manufacturers' Association, and others.

From the standpoint of being a hidden tax, let me confirm to this House what the technical paper and the bill outline. It is that in no way, shape or form is the GST going to be a hidden tax with or without the quick method or simplified accounting, as is the case with the existing federal sales tax.

Every Canadian will know exactly how much they are paying for every element of the purchase of their goods, whether it is groceries, if it is zero rated, or if it is taxable. The merchants can include the price in their products, but if they do so they will have to mark very carefully the fact that a GST of 7 per cent is included in that price so that the consumer will be made aware of it prior to the purchase.

**Mr. John Manley (Ottawa South):** We have the admission, Madam Speaker, that the amount of GST paid at the point of purchase will not be displayed to the consumer.

Having given up on visibility, as the minister has just admitted, and having admitted that it was too complex to administer the way it was originally proposed, will he now admit to the House that his department is incapable of implementing this tax as from January 1, 1991 and, if they push it through on that date, the only reason will be to hope that the people of Canada forget about it in time for the next election?

**Hon. Otto Jelinek (Minister of National Revenue):** Madam Speaker, it is very obvious that the hon. member does not understand business practices. I speak from experience as a businessman most of my life.

First, I refute completely the hon. member's suggestion that I admitted to the complexity of the tax. I can assure this House that there will be no bureaucratic nightmare once this tax is implemented. It is a hell of a lot less complicated than the federal sales tax which has 22,000 exemptions in it and confuses the bejeesus out of everybody right across the country.

Second, if I may correct the hon. member, I in no way admitted that the consumer will not know that there is a GST on the price of the product. Every store which includes the cost of the GST must mark on their shelves,