

Oral Questions

This is the worst tax at the worst time. This government knows it. Experts know it. Canadians know it. Will the Deputy Prime Minister now bring in a fair tax system and withdraw the GST today?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I am amazed: 48 countries, among which are the most modern countries in the world, have such a tax.

I know that the opposition parties have had a fixation. They know that taxes are unpopular. They have been attacking this tax with great vigour, but they have been carried away by their own speeches. I am not.

This is a modern reform. It has been called for for 50 years. Committee after committee has recommended it. We are doing it. It is a tough thing. In so doing we are also listening to people and, when we can bring in improvements, we are doing it.

Ms. Audrey McLaughlin (Yukon): This government keeps saying, Mr. Speaker, that it is doing a tough thing. What Canadians wish is that it would do the right thing.

[Translation]

Mr. Speaker, the battle opposing the Liberals and the Conservatives in the Senate goes on. This government will just not give up. While the battle goes on, the victims are forgotten. And who are those victims? They are, Mr. Speaker, the million and some unemployed men and women in Canada as well as the small businesses that can no longer manage to survive.

It is time this government recognized it made a mistake. It is time for them to swallow their pride. I ask the Deputy Prime Minister: Will the Prime Minister finally swallow his pride and withdraw the GST as common sense would dictate?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I can only repeat to the hon. Leader of the New Democratic Party that we will do no such thing because, she can say what she pleases, the GST is an excellent tax and a fair tax. Of all comparable systems, it is the fairest because of the tax credits.

That being said, the hon. member requested that we change our policy. To that I say, as we say in English, the proof is in the pudding. If you look at the interest rates today, you will notice that they are down 15 basis points. They have been going down for several months now. That is our goal and it is achieved through a serious

policy designed to control inflationary pressures. These pressures are decreasing. Like all Canadians, we are delighted. The big winner is not the government but the Canadian people.

[English]

Mr. John Manley (Ottawa South): Mr. Speaker, I have always heard that the proof of the pudding was in the eating. Perhaps that is why the government is trying to jam the GST down the throats of Canadians. The draft press release, leaked yesterday, confirms to Canadians that the government has not thought through the GST. On top of the flurry of draft regulations coming from the Department of Finance that have just been sent to tax experts, we now know that the tax needs to be amended even before the bill has been passed through the Senate. This confirms that the government is rushing to get this tax through, in the desperate hope that Canadians will forget before the next election.

• (1430)

Why will the government not admit that it is simply not capable of implementing the GST three and a half weeks from now? Why does it not step back, withdraw the tax, start over, and give Canadians genuine tax reform?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I will tell the hon. member that we will be in a position to implement it. We have, in the past, brought forward improvements.

I will repeat, this is a very important reform that covers a lot of ground in the taxation area. There are areas, not necessarily of very great significance, that can be improved. We are working on them. It is a fact that we have been improving it since August and that we will continue, as we do with all tax bills.

Mr. John Manley (Ottawa South): Mr. Speaker, that is cold comfort to the Canadians who still do not really know what it is they are going to have to comply with in three and a half weeks' time.

[Translation]

More specifically, the draft press release proves that the government intends to introduce changes. At his meeting with students from Vancouver, the Prime Minister said that he felt it was too bad the tax was applied to books. Does the government intend to show students that the Prime Minister really believed what he said? Is