

Privilege

The Minister of Finance has said to this House many times that the GST will not be an administrative nightmare for small business. That is certainly not the view of the Federation of Independent Business, which is the voice of small business in this country.

Consider the plight of Petland, a Winnipeg company with seven stores. The president of the company tells me that there is no way the firm can meet the January 1 deadline because of the difficulties in buying equipment necessary for the GST. He also says that the cost of the changeover to the GST is prohibitive.

If this government will not listen to Canadians and scrap the tax, how can it go on ignoring the pleas of small business?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I can tell the hon. member that the Canadian Federation of Independent Business was widely consulted during the years preceding the introduction of the goods and services tax.

As a matter of fact, many of the changes that were made to facilitate small business was at its suggestion. The President of the Canadian Federation of Independent Business, John Bulloch, has not disagreed with the tax. He wants a national sales tax. He would support the GST if it was a national sales tax. He supports the principle of the tax. He has made that very clear.

We have been trying to negotiate an agreement with the provinces to get them to participate in a national sales tax system. I believe that will come about in the years to come.

Mr. Speaker: The hon. member for Kingston and the Islands is rising on a question of privilege.

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PRIVILEGE

DEPARTMENT OF NATIONAL REVENUE MEMORANDUM

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I rise on a question of privilege more in sorrow than in anger. The situation was brought to my attention by my friend and colleague, the hon. member for Kenora—Rainy River.

He has given me a memorandum that was sent by an official in the Department of National Revenue. The form is headed "Revenue Canada". I have sent Your Honour a copy of it. I have also delivered one to the government House leader in order to assist him. I assume he will be responding to this question of privilege.

The memorandum reads as follows, and I quote from the first paragraph:

On January 1, 1991, the Government of Canada will replace the existing Federal Sales Tax with a new tax—the Goods and Services Tax (GST)—levied on the vast majority of goods and services consumed in Canada.

The memorandum is signed by one R. Lalonde, Chief, Registration. I presume he is one of the many tax police that the government has retained in order to enforce this tax.

In Your Honour's ruling of October 10, 1989, on a similar question of privilege raised by the right hon. member for Vancouver Quadra, who was then the Leader of the Opposition, Your Honour referred to the notice that had been published at that time. The notice read, and I quote from page 4457 of *Hansard*:

On January 1, 1991, Canada's Federal Sales Tax System will change. Please save this notice.

I need not read the rest of it.

Very briefly, Your Honour then said, as reported at page 4460 of *Hansard*:

In the present case, does the advertisement of the Department of Finance amount to a contempt of the House of Commons? The right hon. Leader of the Opposition argues that the advertisement in question is misleading in that it gives the general public the impression that this proposed change to the taxation system is a *fait accompli* and that Parliament has no role to play in examining and approving the changes. The effect of this may tend to diminish the authority of the House in the eyes of the public.

The words in the advertisement that was complained of last September and the words of this memorandum are one and the same. In other words, to quote Your Honour:

The effect of this may tend to diminish the authority of the House in the eyes of the public.

The ruling continues, as reported at page 4461 of *Hansard*, where Your Honour said:

However, I want the House to understand very clearly that if your Speaker ever has to consider a situation like this again, the Chair will not be as generous. This is a case which, in my opinion, should never