

*Oral Questions**[English]***GOODS AND SERVICES TAX**

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is to the Deputy Prime Minister, in the absence of the Prime Minister.

I would like to make a reasonable suggestion to the Deputy Prime Minister this afternoon. For some time, his government has been calling for alternatives to the GST, and our party and riding have given an alternative to the government in terms of tax fairness for individuals and corporations.

This morning we heard a very well spoken alternative from Neil Brooks, a professor from Osgoode Law School in Toronto, to the GST. In his alternative, Mr. Brooks proposed something that is less inflationary, has less impact on interest rates, better in terms of job creation, an alternative that is far less costly.

When the Deputy Prime Minister considers the tremendous opposition to the GST, when he considers the fact that there is a revolt brewing on the back-benches of the government party, I wonder whether or not the government would consider suspending the process of the GST. Would he put the GST on the back burner for a few months and consider an alternative to the GST, in light of the fact that the population of this country does not want this new tax?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I would like to tell our hon. friend in very clear terms that there is no question that this government will go back on the GST, because the GST, as we have proposed it, is the fairest of the value added taxes and the most equitable system of all VAT country taxes. Forty-eight countries have a GST and ours is the most equitable.

The reasons why so many Canadians fail to understand it is that the opposition, instead of being responsible and co-operating in the improvement of the finances of this country, is doing everything it can to describe it in terms that are most unfair.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, in addition to the unfairness of the GST and the opposition to the GST, the minister knows very well that over the next 10 years, according to the Minister of

National Revenue, the administration of the tax will cost the Canadian taxpayers billions and billions of dollars. The compliance costs in terms of business will be billions and billions of dollars. In fact, over the next decade if you put the two of them together it will cost administration and compliance costs of over \$15 billion.

Is that figure alone not enough to convince the government to withdraw the GST, to listen to the Canadian people, to hear what they are saying, be a bit democratic, withdraw the GST, or at least suspend it and look at alternatives.

Hon. Gilles Loiselle (Minister of State (Finance)): I would like to remind the hon. member that, at committee stage, his own party supported the introduction of a value-added tax. It so happens that as part of my responsibilities I travel around this country and I meet people. When we tell them what this reform is all about, they support it.

We will continue our job of explaining and introducing this new tax.

[Translation]

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the minister is aware that our party has proposed an alternative to the GST. He is aware of it.

Mr. Speaker, in Mr. Brooks' proposal this morning, an average family that earns \$35,000 to \$40,000 a year would be \$300 ahead compared to the GST, according to Mr. Brooks' figures. Does the minister now agree that the government's proposal is worse than Mr. Brooks'? And if he agrees, will he finally listen to the Canadian people and withdraw the GST?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I tell our friend again that there is no question of withdrawing this tax proposal. We have presented it to the House and will see it through because it is a modern reform. When we explain it to Canadians and tell them about its advantages, particularly for families of modest means, they will understand.

Once the opposition stops doing everything to misrepresent this proposal, things will improve and gradually—From the phone calls we receive, we sense that people accept it. They do not like taxes, neither do I, but they accept this reform more and more.