

Routine Proceedings

and put in all the work, at the end of the day what does it do? It says: "Well, it is not good enough. Why not give it to the provinces and let us have a provincial tax grab?"

There has been a complete flip flop. During the election campaign the Bloc members liked the GST. Now they do not like the GST and they want more provincial taxes. Indeed, they have engaged in what I would express as the big lie, that the report recommends a tax on food and pharmaceuticals. There is no such recommendation on any one of the over 100 pages in the report, no such recommendation at all.

I make them an offer that one of our colleagues south of the border once made to the Republican Party: "If they will stop telling lies about us we will stop telling the truth about them".

[Translation]

Mr. Loubier: Mr. Speaker, I will very briefly answer the hon. member; what he said borders on the unparliamentary.

I would ask my colleague, one of the vice-chairmen of the finance committee, to read our minority report. We tabled a minority report, with our own resources. We had it translated into English at our own expense and we tabled it. We tabled our minority report in both official languages for the press conference two days ago. You were not able to provide us with this translation on time to analyse the preliminary copy of the report.

So I think that our colleague should not boast that he has not read our minority report, when it was in both official languages and translated by the Bloc Québécois, because the government party did not deign to accommodate us, except if we appended our minority report to the committee's report. We exercised our free choice and chose to table it separately. I think that we made a good decision.

I would say, Mr. Speaker, that our alternative, if the hon. member would read our report, if he would be so gracious as to read our report as we have read the report of the Liberal majority several times, in English and in French, if he would read the minority report, he would see that the Bloc Québécois is keeping the Prime Minister's promise to abolish the GST and transfer this field of taxation to the provinces.

• (1615)

We thus avoid two things: We avoid a sixth failure in constitutional negotiations between the federal government and the provinces. After the health forum, interprovincial trade and so on, we can add another failure because the Conservatives tried for two years to negotiate harmonization with the provinces, as the majority report proposes. So we avoid those frictions. We avoid three things. The second thing we avoid is continued duplication and overlap.

We give the government an opportunity to withdraw from certain spending fields in order to compensate for the transfer of the GST to the provinces. Thirdly, we are helping to clean up the

mess that the government's finances are in. The Liberal members should thank us for the work we did, seriously, because it is the only alternative left at this time, after the many statements from provincial premiers and especially from great experts, and I am thinking of Yvon Cyrenne of Martin, Chabot, Paré & Associates, for example—

The Acting Speaker (Mr. Kilger): Order! I am sorry to have to interrupt the hon. member. Resuming debate, the hon. member for Témiscamingue.

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, it is now my turn to speak on this infamous report of the Liberal finance committee on the GST. I have worked very hard on this matter from the very beginning, along with my colleagues from Saint-Hyacinthe and Charlevoix.

When we first saw the draft report, we were extremely disappointed to see the direction in which the Liberals were heading after all the public hearings, because no one had suggested as an alternative that an integrated tax be introduced. Just try to explain to people now contending with two different taxation systems that the existing GST is going to be replaced by a relatively similar mechanism!

Government members roundly criticized this tax when it was first introduced and continued to do so during the election campaign. The Prime Minister said it was a bad tax, and so did the Deputy Prime Minister who even said she would resign if the GST was not abolished. The Minister of Foreign Affairs and all the Liberal members said it was a bad tax, and now they are asking the provinces to do away with their own tax and replace it with the GST. This is scandalous, Mr. Speaker. After criticizing this as a bad measure, now the government wants to extend it to everything. This makes no sense.

Furthermore, the government wants to broaden the tax base so that the tax will now apply to food, pharmaceutical products and health care. In addition to using strong-arm tactics where the provinces are concerned, the government boasts of wanting to simplify the system for small businesses. I want to touch on this point a little further because up until now, this issue has gone relatively unnoticed. Once again, the government is merely throwing up a smokescreen and I will explain why.

The report says that businesses with earnings of \$200,000 or less will be able to use the business transfer tax system. However, the government does not want to call this tax by its real name, preferring instead to call it a VAT. This tax is nothing but a GST hybrid, an added value tax, if you will. This must be clearly understood. Businesses with earnings of \$200,000 or less are being told: Now all you have to do is take the sales total, subtract from it your purchases and file an annual report". What they are not being told, however, what the report does not have the courage to say, is that throughout the year, until they file their report, businesses will have to use an accounting method which takes into consideration taxable and tax-free purchases,