

Routine Proceedings

clean," they are continually trying to proceed with this double talk in the hope that the Canadian public will not hold them accountable.

I beg to differ, Mr. Speaker. The honeymoon is over and I believe that the government over the summer and in the fall will be held accountable. I just wonder how they will vote on this concurrence motion that brings it closer to government policy.

As we know from the media, both the finance minister and the Prime Minister are trying to distance themselves from this report by the committee. They choose to ignore the recommendations of the committee because they know it is a political hot potato.

The leader of the Liberal Party made promises. He is a populist leader and the popular thing to do when you have made a mistake and are wrong is to admit it rather than continue the farce of this double talk and trying to fool the Canadian public.

I take a little bit of offence at the finance minister's answers to my question in question period today about how we are guilty of double talk and if he ever saw double talk it is the Reform minority report on the replacement of the GST which has been filed with the ninth report of the Standing Committee on Finance.

I will highlight some of the aspects that are in this minority report and I will leave it for the Canadian public to decide if this is double talk.

A majority finance committee report on the replacement of the GST cannot be fully endorsed by the Reform Party. While the replacement goes part way in responding to concerns presented to the committee, many of the concerns will only be addressed by future negotiations with the provinces. If the provinces do not agree to integration, if the provinces do not agree to harmonization, this proposal has been a waste of time and all those witnesses that came before the committee, all their constructive words of wisdom, will have been a waste of time.

The majority report recommendation merely tinkers with the current GST and does not live up to the Liberal promise to scrap it. We are of the view that value added taxes are incapable of responding to a significant portion of the concerns raised during the hearings.

The Reform Party recommends that spending cuts be the government's first priority. As well, the entire current system of personal, corporate and value added taxes should be replaced by a simple visible and proportional system of taxation that is similar to the single tax that one of their more intelligent members has recommended, that incorporates the principles of fairness and the lowest rate possible. In the interim, the party will support reforms to the current regime that move in this direction.

The Reform Party strategy for tax reform is as follows: We believe strongly that tax reform must include a number of

components. First, a review of spending in order to balance the budget in as short a term as possible with the least negative impact on the economy, and we see that as three years. We came here with that philosophy, we recommended that philosophy, but the finance minister said it is too draconian, that a 6 per cent cut in spending is too draconian. Now I read in the paper as of three or four weeks ago that he is now looking for 12 per cent cuts in next year's budget.

Second, we believe a simple visible system of taxation that incorporates the principles of fairness, simplicity and the lowest rate possible. The Reform Party opposes tax inclusive pricing, which is just hiding the tax. It is like the gasoline tax you pay at the pumps. None of us know what we pay but we know that governments have raised it and pretty soon the Canadian public once again falls out of touch with what taxes we are paying. This is the Liberal way of eventually raising taxes in years to come and that is why the British call this the very awful tax because that is what happened in that country.

This practice of hiding the tax violates the principle of open taxation which is essential to efficient functioning of open democracies. Disclosures of taxes paid on cash register receipts preserves an element of openness in taxation, but as the experience in Europe has shown, it eventually results in strongly diminished public awareness of the tax.

• (1525)

Third, the Reform Party believes that tax reform must also mean tax relief. We believe that Canadians are concerned as much or more with the level of taxation as with the method of taxation. If we are asking the Canadian public to sacrifice, there must be a reward at the end of the day. That reward would be to eliminate and abolish the GST and we would do that once we get the budget balanced.

We agree with those who say that the introduction of the GST was the trigger that set off the underground economy, a general distrust of politicians and a belief that governments had lost control of their finances. The current government believes that this distaste can be dispelled through a change in the mechanism. It believes that if it scraps the GST or changes the name that the antagonism toward a new value added tax will go away.

That is my point today. If this is what the government believes will happen it will be sorely surprised and like that commercial on TV they slap their face while saying, "I needed that", that is what it is going to get.

Canadians will be wary of accepting changes to how they are taxed when the bottom line is that they must pay between 30 and 60 per cent of their income to carry a government that cannot control its spending. Not only will the government not control it, it will not even enter into serious dialogue to cut spending. They bring us into their offices, we show them \$9 billion to \$12 billion worth of cuts and they say: "We can't do that because it is philosophical". Anytime we make a point to criticize their philosophy they change the subject.