

*Time Allocation*

modelling systems that the Minister of Finance uses in his department.

We came up with a constructive alternative to the goods and services tax. We came up with an alternative that was fairer, simpler, efficient and workable. It was a system where we knew we had to obviate the need for a goods and services tax because of the amount of revenue it was going to bring in. We admitted that the manufacturers' sales tax, the federal sales tax, was not a good thing and in our program we phased it out over three years, not all at once. We knew we had to be revenue neutral. We came up with numbers that would allow us to meet all of those objectives.

We came up with a form, and we called it the single tax, and it is 25 per cent for individuals and 25 per cent for corporations. We gave very progressive, refundable tax credits to those people in our community who are disadvantaged. We admitted all the way through this that we were advancing debate.

• (1730)

We did not say that our ideas were conclusive. We sent our material to the Minister of Finance on several occasions, and asked him to refute it, to give it to his officials to criticize it and try to improve on it. Not once did I hear from his department, or from the minister. I have been listening for months to him saying there are absolutely no alternatives on this side of the House. Finally, when I got his ear today, he snuffed off 179 pages of hard work by men and women from academia, from business, and work done by chartered accountants. He said: "Oh, that is some little booklet, on a single tax that does not work".

**Mr. Volpe:** He is blind and deaf to reality.

**Mr. Mills:** Well, I think the Minister of Finance is really losing it. He refuses to acknowledge that 80 per cent of people in this country are concerned about the goods and services tax. It is a tremendous disincentive to small business. It is causing fear for senior citizens.

Instead of listening and asking his departmental officials to do an analysis of that and point out the weaknesses, he continues to say there are absolutely no alternatives. I think the Minister of Finance is doing a tremendous disservice to his office.

It is only one alternative. I have said in this House before that this is not the Liberal Party position. We, in this party, right now, are going through a leadership debate. So we have three, four or five alternatives. But that is not the point.

**Mr. Karpoff:** Your leader is going to decide for you.

**Mr. Mills:** In fairness, we are a team. But that is no excuse for the Minister of Finance to ignore the idea. Whether this idea came from a member of the New Democratic Party or whether this idea came from a Conservative member, or whether it came from industry, it does not matter. It is the responsibility of the Minister of Finance to look at a constructive alternative to a tax that is just crippling the spirit of this country.

We have said in this House before and many Liberal members have said that the current tax system is not just the product of members opposite, it is the product of many governments over many years. The point is that right now it is 15,000 pages of rules and exceptions to exceptions. Even the best accountants and tax lawyers in this country will readily admit today that they no longer understand it. It is out of control. Canadians are being so frustrated by the current Income Tax Act that it is time for this government to take the lead and clean it up.

The government always talks about productivity. We lack productivity because, generally speaking, Canadians do not feel there is fairness in the tax system. A man who is working on a shop floor making \$20 an hour might pay \$8 a week in tax on that hourly wage and at the end of the year he might pay another \$1,500 or \$2,000. His neighbour next door might be an architect or a tax lawyer who is making \$150,000 a year and he will not be paying any tax. We know that is not right.

The tax system, with all its legal tax preferences, is so imbalanced right now, that the person who is working his heart and guts out on the shop floor says: "Why should I work so hard when my neighbour who is making three times as much does not pay anything?". That system does not work.

If we are going to have fairness and productivity and if we are going to get a nation that can be a world-class competitor again, we must start with the tax system. A goods and service tax that adds another 45 or 50 pages to the 45 or 50 pages that every individual in Canada receives right now, is not the way to go.