

Adjournment Debate

If we were concerned with the consumer of products to be purchased subsequent to the imposition of this measure, we must have regard to the fact that the cost of administering this project by wholesalers, who hitherto had no obligation to adjust their practices and accounting procedures to look after collection of this tax, will have the effect of increasing the mark-ups to which I made reference. The resultant effect upon the consumers of Canada will be that they will pay more for the intervention by the federal government in this area.

I know that the alleged purpose of this change announced by the Minister of Finance, was to assist Canadian manufacturers whose goods have been, he says, at a disadvantage when compared to the goods which are imported into Canada. That is the alleged purpose. The real purpose is to raise additional revenues.

I might say that I know the government is oblivious to the concern that it should show for the consumers of this country as a consequence of these steps. Under any other circumstances, I submit that the perpetrators of this deception would be prosecuted for fraudulent misrepresentation.

Mr. Douglas Fisher (Parliamentary Secretary to the Deputy Prime Minister and Minister of Finance): Mr. Speaker, this proposal has been under consideration for many years. It is one of the most widely discussed and analysed tax measures which has been undertaken by the government. Contrary to what the hon. member has just said, the shift of tax to the wholesale level is not intended to increase the government's revenue yield. To ensure that this change will be revenue neutral, the general rate will be reduced from 9 per cent to 8 per cent six months after implementation of the change. This decrease in the tax rate will ensure that no additional revenues accrue to the government as a direct result of the change in the tax base. The rate decrease is delayed to offset the cost to the government of refunding about \$400 million to new licensees, mainly wholesalers, who convert their inventories from a tax-paid to a tax-free basis to avoid double imposition of the tax.

The November 12 budget proposed that the imposition would remove a serious bias that currently exists against domestic manufacturers, vis-à-vis importers, and correct inequities in the application of the tax among the competing manufacturers who market their goods in different ways. The new tax system will also incorporate a number of other important changes, including detailed valuation provisions and expanded appeal systems.

PUBLIC SERVICE—IMPLEMENTATION OF SPECIAL COMMITTEE RECOMMENDATIONS ON EMPLOYER-EMPLOYEE RELATIONS

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, on February 26, I put a question in the House to the President of the Treasury Board (Mr. Johnston). I asked him if he was aware that that particular date, February 26, was the sixth anniversary of the tabling in both the Senate and in this House of the report of the Special Committee on Employer-Employee Relations in the Public Service. At the time, I was the co-chairman with Senator Buckwold. That report contained 72

recommendations. In my question I pointed out to the President of the Treasury Board that there had been no legislative action taken on any of those 72 recommendations. The report was the result of some 18 months of hard work during which witnesses from unions, management groups and from right across this country were heard. As a result of testimony from one witness I put a question to the then postmaster general in March of 1975. The question was the following:

● (2210)

Has the Postmaster General been made aware that witnesses for the Canadian Union of Postal Workers, when appearing before the Special Joint Committee of the Senate and of the House of Commons on Employer-Employee Relations in the Public Service, stated that the objective of the convention mandate to go for a Crown corporation was because of a preference for the Canada Labour Code rather than the Public Service Staff Relations Board?

The President of the Treasury Board is well aware of my opinion that we went the route of a Crown corporation for the post office because we were not prepared to look into the existing problems the public service was finding under the Public Service Staff Relations Board.

It is interesting that the gentleman who produced the report which formed the basis of the study of the special joint committee was Mr. Jacob Finkelman, who was the chairman of the Public Service Staff Relations Board since the legislation was enacted in 1967, and had presided over employer-employee relations in the Canadian public service.

Looking in my files before coming to the House this evening I noted on my shelves an array of books and reports prepared by the Treasury Board with titles such as "Performance Review and Employee Appraisal", "Accountable Management", "Program Performance Measurement", "Roles and Responsibilities of the Treasury Board of Canada and the Public Service Commission in Personnel Management", and "A Manager's Guide to Performance Measurement". What bothers me is that we have failed to take any action to come to grips with the problems raised in the report which was tabled in this House over six years ago.

I would like to put on the record just three of the 72 recommendations. In fact, the first one is just a part of recommendation No. 4 and reads:

—certain revisions to the Public Service Employment Act be made immediately to allow the Public Service Commission to operate efficiently—

I repeat the words, "be made immediately", and that was in February of 1976.

Recommendation No. 5 states:

That Parliament consider the proposed changes to the Public Service Employment Act as soon as possible, bearing in mind their relationship to changes recommended in the Public Service Staff Relations Act.

Again, that was in 1976.

Recommendation No. 8 states:

That there is a need for additional procedural and substantive amendments to the law governing the collective bargaining relationship, and more appropriate remedies for unlawful activity.