The Prime Minister's message was clear and simple: Canada is keen to increase its business with Japan in both directions. There is much to offer for each country: large markets, good products, innovative services, and a political and economic climate which is stable and compatible.

The Japanese response was equally straightforward. Their citizens admire and respect Canada. That respect was best expressed by the full participation of Japan's leaders at the opening of the new Canadian Embassy on May 27, an event to make any Canadian extremely proud.

It is too bad more news has not been made in Canada of this successful trip.

ORAL QUESTION PERIOD

[*English*]

GOODS AND SERVICES TAX

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Acting Prime Minister.

Four years ago next week the former Minister of Finance unveiled a tax package in which he claimed that future tax changes like the GST were going to be "revenue neutral" and that in fact "most Canadians will pay lower taxes". That is what the minister said on June 18, 1987.

Yesterday, his successor finally admitted what Canadians had known for months, and that is that Canadians under this government's policies are taxed to the limit and they will not take it any more.

In fact the Tory tax machine is so voracious that the GST has raised 18 per cent more than predicted: $400 million, to be precise.

I ask the Acting Prime Minister: When will his government announce an 18 per cent cut in the GST rate to give Canadian taxpayers a break at the very least, or when will he end this vicious GST?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, royal commissions commissioned by the Liberal government over the years have said to get rid of the manufacturers' sales tax and to bring in a consumption tax. That was done after great consultation with the Canadian public.

The first quarter returns are more than were expected by the Government of Canada, but one-quarter does not a year make. We have to wait until the year report is in to assess exactly how the largest tax change in Canadian history has performed.

I might remind the hon. member that we have made a commitment to the people of Canada that any funds from the GST that are excess will in fact go to the deficit reduction and debt reduction fund, which legislation will be introduced in this House later this week.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we have two ministers in two weeks who have admitted that Canadians are taxed too much.

My question is to the Acting Prime Minister.

[*Translation*]

We know that the taxation machine of the Conservatives has reaped out 18 per cent more than forecasted for the GST. That is, Mr. Speaker, $400 million more than anticipated! Is the Acting Prime Minister willing to reduce the GST by 18 per cent, since these revenues were not expected when it was first introduced?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, to be fair in assessing the goods and services tax, I think we should wait a year before we make that type of judgment.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Canadian taxpayers are paying that tax now, and the Minister of Finance yesterday made it quite clear that the policies of his predecessor have failed and failed miserably. In fact the Canadian taxpayer is among the highest taxpayer in the world.

Some hon. members: Oh, oh.

Ms. Copps: My question to the Acting Prime Minister: given—