

III. Recommendations

Given the uncertainties surrounding the price impact of the GST, the NDP recommends that the government abandon the GST, and attempt a serious effort to provide Canadians with a progressive and fairer system of taxation. The evidence provided to the Committee has confirmed our worst fears with respect to low-income Canadians and wage-earners who are still trying to recoup the losses to their real wages incurred during the 1980s.

If the GST does go ahead, the NDP issues the following recommendations:

1. The GST tax credit be fully indexed, and all plans for partial de-indexation be scrapped. The GST Credit should also be paid monthly.

2. The government cease to attack wage settlements which are only trying to keep up with inflation rates. As many witnesses told the Committee, COLA clauses are perfectly reasonable demands.

3. The federal government must demand that the provincial government do not consider GST Credit as income when determining eligibility or payment levels for social assistance programmes.

3. The GST CIO be scrapped so that Canadians can save \$19 million. The education and technical information can be provided by the existing offices at the Finance Department and Revenue Canada.

4. The Standing Committee on Consumer and Corporate Affairs have an annual study of the impact of the GST on consumers and the economy.