

*Routine Proceedings*

not intend to do that again. This was said very clearly to the government. I hope the government remembers that when it starts to implement the GST.

Harmonization was also a top priority. Over and over again this ideal target was presented to the committee. They said we must harmonize with the provinces. That statement was easily said but after listening to the provinces I think there is going to be some difficulty.

Consider for example the province of Alberta. In my conversations with some of the ministers they clearly said that at this point they do not want the government to interfere in the direct taxation area, the sales tax area. Therefore a province and the federal government are in somewhat of an adversarial position.

Other provinces are asking what is in it for them, how they will benefit. If the federal government is not able to satisfy those questions in trade-offs and in application then certainly there will not be much of an improvement to the current circumstances. Harmonization was a top priority in at least 70 per cent of the presentations made to us.

In terms of simplification, the point was made that we must remove the work and the headaches at the local level. Many of the owner operated retail businesses are working many hours, spending many of their dollars directly and indirectly and using their energy in filling out GST forms. After the business closes, husbands and wives are having to return at night to determine the amount of GST that must be forwarded to Ottawa. That has to be simplified.

If we changed that compliance procedure whereby people could determine the GST amount and forward it to Ottawa once a year, that would be much better. There is a recommendation in the report that leads to that and I consider it as an interim measure by the government.

One of the other questions was the matter of whether it should be visible or hidden. I would say it was a 50:50 split. Canadians looked at it and there is merit for both ways. The Reform Party has said that any taxation should be visible so that people know what they pay and what it costs them to run the Government of Canada.

• (1650)

One of the other things that was most significant and I think is a message that the government should hear which came through the GST hearings is to get its spending under control, that there should be deficit reduction. That was the message, loud and clear.

They also raised the question as to the commitment that this government made with regard to the GST. It is clear to Canadians that the Liberal government said it will replace the GST. There was a perception out there when that was said in the election and has been quoted a number of times and said even during the proceedings in this House that people in Canada expected the tax would cost them less, compliance would be much simpler, and that they would not incur additional administrative costs through a replacement tax.

They also thought that it would be a tax that would have a new form or a new application. I am not sure what they thought it was going to be or how they reached that conclusion, because there were certain options available and those were the only options.

I asked my constituents how they felt about changing the GST and what they thought should be done. In mid-April I sent out my householder to my constituents; 5,300 of my constituents responded to the questionnaire and one of the issues listed was the GST and how they felt about it. How they felt is an indication and should be a notice taken by the government as to how they should respond to changes that are brought about in this next two year period.

First of all, they said that 61 per cent wanted the tax included in the price of goods and services. That is very interesting because many of the people who made presentations said the very same thing, but 61 per cent of them said they wanted it included in the price.

Second, 65 per cent wanted to eliminate the GST altogether but only after the deficit is eliminated.

It is worthy to pause at this moment because what they are really saying is that the GST or its replacement should be an interim tax measure that would bring in a revenue replacement or a consistent revenue of about \$14 billion to \$15 billion, but that once the deficit is looked after then that tax form should be eliminated. This is what they recommend.

One major shortcoming of the report that is presented to this House is that question is not being addressed. The government has not made a commitment to the term of the tax. It is most likely going to end up something like our income tax. Back in the war years the income tax concept was implemented only as an interim measure and it was supposedly going to be eliminated after a period of time. We know the history of that. Today we are still paying income tax and a huge amount of income tax out of our daily pay cheque.

It is really unfortunate that Canadians pay 30 per cent, 40 per cent of their income to income tax as wage earners in this country. It is very high.

What else did my constituents have to say? Eighty-nine per cent of my respondents want to apply the GST to the accumulated debt once the government obliterates the deficit. They also want it to deal with the accumulated debt, meanwhile, 54 per cent would rather see income tax rates decline after the tax is eradicated.

• (1655)

The message from that is very clear. They are saying it is time in this country that we focus on deficit reduction, that we cut the cost of government and in turn reduce taxation so that we have more income for ourselves that is available to meet our own personal or family or community needs. It is time we changed.

Those are the shortcomings of this report. One, it talks about putting a tax in place but not what it is. Second, it does not deal with the question of deficit reduction.