

Government Orders

• (1735)

[*Translation*]

Mrs. Maheu: Mr. Speaker, since the Minister could not come to an agreement with the provinces, small businesses will have to deal with complex administrative problems because Canada would be the only country in the world with two different taxes on goods and services. How can the Minister claim to have come up with a simple tax system when small businesses will have to deal with multiple rates and exemptions, as well as different audit systems and penalty structures?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, it has always been my first choice to have a national sales tax, a joint tax with the provinces. I understand the desire and the need of the small-business community to have only one tax system. Unfortunately that was not possible at this time. Possibly and hopefully, some time down the road we will achieve that but it will have to be, at this point, a two-step process.

However, in order to eliminate or minimize the complexity and the compliance problems of having the two systems in place, we are having extensive discussions with the provinces now. We are doing it province by province on a bilateral basis. We had a full meeting with the representatives of all the provinces about a week and a half ago and we are having another meeting, I believe, some time next week.

The objective of this is to try to harmonize systems, to try to see where we can do things together in such a way as to reduce, and hopefully in some cases, eliminate, the problems we are facing. That is the best that we can do at this point. We are very sympathetic to the point of view that the hon. member expresses and that is why we are approaching these meetings in a very positive way.

[*Translation*]

Mrs. Maheu: I have a supplementary question, Mr. Speaker. Why won't the Minister make a commitment today to make good on his promise of a simple tax and to withdraw the GST so that he can start talking seriously to the provinces about a real tax reform?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think it is very important that we get on with the job of sales tax reform. As I have indicated in the House on a number of

occasions, including today, there have been five different studies since 1940 stating that the existing manufacturers' sales tax is a bad tax, it is holding back our economy and putting Canadian producers at a disadvantage relative to their international competitors. So we feel it is important that we get on with this tax.

The provincial governments do not have the same problems. They have some problems with their existing taxes but not to the same extent that we have at the federal level. That is why we feel we must move ahead with it. We are trying to do this in a way that we can deal with the problems the hon. member has raised in as effective a way as we can.

Mr. Boudria: Mr. Speaker, last fall the department of the Minister of Finance paid a sum of roughly \$1 million for a one page ad, and in some cases a two page ad, in Canadian newspapers to inform Canadians to save the notice in regards to the 9 per cent goods and services tax that he was proposing at that time.

Can the minister assure the House today that not one red cent, not one golden loonie, will be spent to advertise Bill C-62? Can he make that commitment to the people of Canada now?

Mr. Wilson (Etobicoke Centre): I will tell the hon. member that we are proposing to have an extensive information campaign of brochures, booklets and other things Canadians can read so they can understand the GST. There will be a brochure going out to all small businesses in Canada some time next month. We will have other pamphlets for people who are in the retail business, for senior citizens, and for low-income earners so that they can understand what the tax is and how it will affect them.

• (1740)

I will recall for the hon. member the conclusion that the finance committee came to in the last Parliament after their trip to New Zealand. They felt it was very important that the government exercise responsibility in getting information out to Canadians so that they would have a broad understanding of this tax and therefore be able to draw their own conclusions as to the impact that it would have on them but also to understand that there are benefits.

With the opposition that is present in the House and from other Canadians, people must think that if there is all this opposition there has to be a good reason for the government to proceed with it. And that certainly is