

In the budget of February 1988, the Minister of Finance attempted to make corrections to the existing federal sales tax by, in short, dealing with the marketing problem that is tearing away at the tax base.

In accordance with the respect of the Minister, the Committee held hearings with the entire business community concerning the Minister's February 1988 budget suggestion and reported to the Minister with respect to that suggestion and advised the Minister that he would be better off to raise any additional monies he needed by increasing existing sales taxes while he proceeded as expeditiously as possible to produce for the country a national value-added tax as it was the view of the Committee that the federal sales tax could not be amended, repaired or altered in any fashion that would be workable. In early 1989 the Minister announced that the federal government would go it alone on a value-added tax. In the budget of April 27, 1989, the Minister suggested the tax would be a Goods and Services Tax at a rate of 9%. Detail of this tax was presented by the Minister in a Technical Paper on August 8, 1989 and on August 15, 1989 the Committee commenced its hearings in connection with this Technical Paper.

In its hearings, the Committee has heard 274 sets of witnesses and has analyzed at over 1,100 briefs and other representations. A list, though perhaps not complete, of briefs and representations made to the Committee is appended to this report.

In its discussions, the Committee held hearings in all provinces and territories of Canada with the exception of the provinces of Ontario and Quebec. Groups in Ontario and Quebec were requested to appear before the Committee in its many hearings in Ottawa.

The Committee completed its public hearings on October 26, 1989.

The Committee has been ably assisted by Blake Murray, Barrister and Solicitor and partner in the firm Osler, Hoskin and Harcourt in Toronto, who has acted as General Counsel in this matter. Mr. Murray had also accompanied the Committee to New Zealand in 1988 as a representative of the Canadian Bar Association.

Also acting as a Counsel to the Committee was Mr. Michel Coderre, Barrister and Solicitor with the firm Stikeman Elliott in Montreal. Mr. Coderre is a member of both the Bars of Québec and Ontario and is also a chartered accountant.

The Committee also had the assistance of Michael Cassidy, former Member of Parliament for Ottawa Centre from 1986 to 1988, a former member of the Finance Committee and now President of an Ottawa public affairs consulting firm, The Ginger Group Consultants.

The Committee also had the specialized services of Cheryl Knebel. Ms. Knebel is a chartered accountant and a senior manager of Price Waterhouse in Edmonton, Alberta. She practices in commodity taxation and international trade.