

Oral Questions

consistent, they would be giving the Minister of Finance the same kind of support now that he obviously deserves.

[*Translation*]

REQUEST THAT PRIME MINISTER WITHDRAW HIS TAX PROJECT AND CO-OPERATE WITH THE PROVINCES

Mr. Douglas Young (Gloucester): Mr. Speaker, Canadian men and women by the thousands are against this tax as proposed by the Minister of Finance. Business people, boards of trade, small and medium-sized businesses, consumers, students, senior citizens, trade unions, everybody in Canada is concerned about the enormous consequences of this tax. My question is very simple and it is directed to the Prime Minister.

In view of the fact that we have two parallel tax systems, something which had not been foreseen in the report he has just mentioned and which had been approved by the Liberal Members sitting on the Finance Committee, could we have today a commitment from the Prime Minister that he will get off this terrible tax which threatens all Canadian citizens and do what he had promised to do us first place, namely, to cooperate with the provinces and set up a national sales tax in Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member says that we promised a national sales tax. He knows that that is not correct. He knows that we put in the White Paper of June 1987 three options. One of them was a national sales tax and the two other were federal only options. One of those federal only options was put forward to the Canadian people in the last budget and was amplified in the technical paper.

The hon. member asks why do we not go back to the provinces. The simple fact is that our tax, as I indicated from the comments of Mr. Goodman, is a very bad tax and there is general agreement that it must be replaced. I think that the hon. member would agree with that. He stated on August 8 that it is replacing a bad tax. I think most people understand that the manufacturers' sales tax was not a very healthy thing for the country.

The hon. member himself says that we must make a change. We must and we agree with that. The provinces do not have to make a change to their sales taxes, as I think a former politician from a province will understand

because there is not the same necessity. We have to move ahead. They do not. That is why we were not able to get this federal-provincial agreement.

Mr. Young (Gloucester): Mr. Speaker, the Minister and every man and woman in small and medium sized business know that the goods and services tax that he has proposed creates an administrative nightmare both for the government and for business: two separate taxes applicable on two separate sets of goods in at least nine provinces of this country.

If he is not going to listen to us, I suggest the Minister has to listen to the Federation of Independent Business and the Chamber of Commerce.

My question is: Will the Prime Minister order the Minister of Finance to recognize his obligation to have a fair and equitable tax system in this country that can be supported by Canadians, withdraw this tax, and go back to the drawing board?

Mr. Wilson (Etobicoke Centre): I acknowledge what the hon. member has said. I would have preferred not to have had the two levels of sales tax.

The simple matter is that we were not able to get together because the interests of the provinces were not such that they wanted to do that. I have said to the provinces that we are prepared to sit down at the table, if they can come up with a proposal that their governments support and that they agree to, including their Premiers. I think that if they do that then we can sit down.

I am not hopeful of this because of the attitude that they have demonstrated in their comments in August where they had lots of things to say in criticism of this tax, but they had no alternatives and no other options that we should be prepared to consider. That is why I do not think we can achieve that.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Finance who just a minute ago was quoting Mr. Goodman on tax policy. As is frequently the case, it was selective quotation.

I want to remind the Minister that the same Mr. Goodman had this to say about his tax: "It takes money from the poorest and most vulnerable people in Canada. It is shameful".

Some Hon. Members: Hear, hear!