

We should not be afraid of discussing policy in public. The current hoopla over whether I would, or would not, raise the GST highlights exactly what ails politics in this country: Fear of speaking out.

140 character tweets, sound bites taken out of context, and fear of attack ads all, shamefully, now seem to rule our public discourse. Here is what I **really** think about the GST.

- Yes, I have said that I would consider raising the GST **if needed**. I supported the GST when it was brought in, and was among the most vocal in calling Harper's politically-motivated reductions from 7% to 5% bad economics. It would be hypocritical of me now to say otherwise.
- I do **not** advocate **any** tax increases right now—not GST, not corporate taxes, not personal income taxes—not while we're still struggling with the economy and the sluggish exit from the financial crisis. Indeed, this is exactly what Harper **has** done with his increases in EI premiums, a tax on jobs which I object to.
- I do **not** advocate a rise in the GST, even when the economy is stronger, **to the exclusion of other things**: For example, I would prefer a **price on carbon**, which would do double duty by also improving our environment.
- I **would** consider raising the GST if, using just one example, increased costs of aging demographics, health care and the all-important education for our next generations are not sufficiently off-settable by spending cuts elsewhere.

Needless to say, that level of discussion never gets into tweets or sound bites or headlines. Only the 'sexy' attack parts do. And that is wrong --- because Canada must engage in this debate.

AFRAID TO SPEAK OUT

Are we so afraid of Stephen Harper and his attack ads that we can't even debate significant economic issues in public? Have we no confidence left whatsoever? No wonder Canadians have lost respect for Liberals – and for politicians generally. I refuse to let us conduct ourselves out of fear. We **MUST** be able to have these discussions.

We keep talking about needing more engagement – how do we do that, when we ourselves refuse to engage in any real debate?

TAXATION AND SPENDING:

We have taxation and we have spending. Determining the right mix is a critical part of Canada's economic and social prosperity. Canadians should expect politicians to have the courage to engage in this kind of debate and discussion—and not to be afraid of doing so.

- No sensible Canadian objects to at least some level of taxation – it's how we pay for roads, sewers, health care, old age security, passport services, immigration issues—all manner of government services that significantly improve our society. We understand that some taxation is needed in today's world.
- What form it takes, and how much, paid by whom, and how it should be used, should **always** be part of our public policy debate. We can always do better.
- Despite initial concerns, Liberals quickly recognized that a value-added tax was a sensible form of taxation. We have supported it ever since.
- Liberals were therefore, and appropriately, among the most vocal in condemning Harper for his "cheap politics" of reducing the GST from 7 to 6 and then to 5%. Because cheap politics is exactly what it was. It certainly was bad economics.
- Many believe that Canada now has a structural deficit, thanks in large measure to those GST cuts. If Harper had correspondingly cut spending, then that's a different story – but he didn't. His first two years in government, while cutting the GST, he spent the two largest-spending budgets in Canadian history. This BEFORE the financial crisis hit.