

It is a sensible amendment. It is an amendment which will make it possible for governments in the future in this country to see to it that they will start off with a better situation than the situation that the Conservatives are going to otherwise leave the next government in Canada.

Conservatives in this present government are creating incredible damage to our health care system, education system, training systems, regional development programs, resource strategies and farm communities across this country.

In area after area across this country this government is destroying the basis for future economic growth. What we are saying with this amendment is that until this government is replaced, and we hope we replace it so we can get rid of the GST, let us at least see that the revenues from this tax are used for something more creative than simply paying off interest costs.

Let us see that the revenues are used to help people. Let us see to it that people and the problems they face across Canada get the kind of attention which they should be receiving from this government. I cannot understand why the government would bring in a bill like this and waste the time of the House with respect to it. But if it at least accepts this amendment and permits the revenues from this bad tax to be used for something constructive, creative and useful until we can get rid of the tax then this would be something of a positive step on the part of a government which has taken far too many steps backward instead of forward.

• (1320)

**Hon. John McDermid (Minister of State (Finance and Privatization)):** Mr. Speaker, we have been sitting here listening to a string of socialists speak this morning on the goods and services tax. I think the Canadian people know full well that the NDP members of Parliament and their party are opposed to the goods and services tax.

When we ask those in the NDP how they will replace the income from the goods and services tax, my hon. friend from Kamloops says: "We are going to increase taxes in other areas to replace it". They are probably going to tax the corporations out of existence because they will not be able to compete with other corporations and their tax bases around the world. Those in the NDP are going to tax inheritance and they are going to tax this,

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that and the other thing. If Canadians took the time to assess this, they would find very quickly that in no way, shape or form would those types of taxes make up the difference required for the goods and services tax. It would not even come close. They would just be passing the tax burden on to one very concentrated part of the economy. This is foolish.

We have three provincial governments now made up of New Democrats in this country. If those in the New Democratic Party are so dead set against sales taxes, why have they not rid themselves of provincial sales tax in their recent budgets?

Let us do a review for just a moment. The manufacturers' sales tax which we had in this country was a hidden tax placed at the manufacturing level which everybody in our society paid, without a doubt. This included businesses. They had to pay tax on their business income and in their business input costs. Four Crown corporations and two studies of Parliament recommended that we get rid of our manufacturers' sales tax and go to a consumption tax. That is exactly what the goods and services tax is. That was recommended for years.

Our government absolutely knew the political risk we were taking. We knew that it would not be popular. No tax is popular. But at the same time people said to us in no uncertain terms: "We want to see where that tax money is going. We want to be able to see on the ledger exactly where the GST is going". That is what they told us in no uncertain terms from coast to coast. In every community that I visited that was the message that was given loud and clear: "We want to see the money you receive and where it goes. It is fine to hide it in the Consolidated Revenue Fund. You put it away in there". I can tell you that that is what people have told us and that is why we have this bill.

I listened to the New Democratic Party this morning very quietly without interrupting them and I made a few notes on some of the comments that were passed. They said that maybe we should take some of that tax money and put it toward this or that. One item was retraining. The government in the last couple of years has put \$800 million extra into training and retraining in this country. We have done that. We talked about sewers and water for Indian reserves. It is an absolute disgrace in this country. When it comes to drinking water and to sewage