

Oral Questions

• (1450)

Hon. Gilles Loiseau (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, it seems we cannot win. When we listen and propose changes, we are accused of making changes.

I fully sympathize with the fact that we are now living in a very difficult environment. We know that. We forecast that in our last budget. We must come out of it as soon as possible. Part of the solution is through the force of our economy and the exporting companies. Many of the companies operating in northern parts of Canada will benefit greatly from this tax, bringing prosperity and more jobs.

Some hon. members: Hear, hear.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of State for Finance. In the face of this economy, the real victims are the consumers and small business. Tax experts have said that the launch of this bill is going to be a disaster. There are close to 300,000 to 400,000 small businesses that have not even registered.

In the face of all of the difficulties that are facing consumers and small business, how, in good conscience, can the government proceed when it is overwhelmingly obvious that the negative effects are going to outweigh any positive effects?

Some hon. members: Hear, hear.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I appreciate the opportunity to respond to that question. I would like to take this advantage to let the hon. member know that in fact there are over 900,000 businesses that have registered.

Some hon. members: Hear, hear.

Mr. Jelinek: Registration applications are coming in at over 100,000 a week. We are capable of processing up to 175,000 per week. Added to that, a recent Deloitte & Touche poll concluded that in the retail sector alone—and this is over a month old now—over 80 per cent of retailers were prepared for a January 1 launch.

I can tell the hon. member and this House that we are ready to go January 1. The business community is getting there. It will be there with the services that are being provided by Revenue Canada. We will have a launch on January 1 for the benefit of all Canadians coast to coast.

Some hon. members: Hear, hear.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, the minister talks about the number of businesses that have registered, but the real winners so far are the bigger businesses and also the government.

Studies according to the Canadian Federation of Independent Businesses show that consumers and small business are losing confidence and are not advancing with this bill. Why does the minister not address those who are suffering the most?

Some hon. members: Hear, hear.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the reason for this tax change is to assist those who are suffering the most.

Some hon. members: Oh, oh.

Mr. Jelinek: That is why we are moving in this phase of tax reform, for the benefit of those that suffer, in order to make them more competitive and more productive which will, in return, create more jobs and more productivity and a better economy in the country.

Some hon. members: Oh, oh.

Mr. Jelinek: Will you socialists keep it down so that we can at least have an exchange here?

Some hon. members: Oh, oh.

Some hon. members: Hear, hear.

Mr. Speaker: Perhaps the hon. minister could conclude his answer.

Mr. Jelinek: Mr. Speaker, the hon. member points out the Canadian Federation of Independent Businesses' study which is some months old. In fact, I think it is nearly one year old.

An hon. member: Oh, oh.

Mr. Jelinek: The study that I referred to is a Deloitte & Touche study done for the retail sector which is comprised primarily of very small businesses.

An hon. member: Oh, oh.

Mr. Jelinek: That study concluded that 60 per cent—Howard, will you shut your trap, please?

Some hon. members: Oh, oh.

Some hon. members: Hear, hear.

Mr. Speaker: The hon. member for Beaver River.