

Government Orders

product manufactured within the major market centre. What that means to regional development is a terrible blow. How can we expect industries to locate in these regions if we are now going to add a transportation cost tax which will make their goods less competitive?

Some will say to me that they can bring in their transportation tax and get a refund on the input and so on. What it happens, though, is that additional cost of transportation gets added on to the final price of the good and the good is more expensive because it must be taxed at full retail value. Not only is the good taxed at retail value in this case, but nine out of the ten provinces will turn around and tax it with a sales tax.

I really wonder what is happening. Are people from this government forgetting that there are many regions in this country in desperate need of regional diversification? The Atlantic provinces are having some problems. Northern Ontario has a number of mines closing down. How does the government expect these regions to come through if every time they turn around they are being hit by an additional tax?

The GST, as far as the people of Sudbury are concerned, and I am sure the people of the other regions of the country agree, will become a tax on distance. That is reality.

We have talked a little about simplicity. The government had said that this tax would be simple. I have news for this government. When flying to Ottawa the other day I looked at a magazine on the plane and saw an advertisement. The ads are already starting to appear in which a major accounting firm is saying: "Come on in so we can help you plan for the complexity of the new sales tax that is going to be put into place".

Everyone else understands the complexity and the difficulty that people will have in adhering to this tax. Why can't this government understand it? It is certainly clear to everybody else. How can it be more simple when we are going to have a tax and then another tax.

The government says that it is going to be visible. If there is a little sign somewhere in a store that says "the price includes the goods and services tax", is that visible? You are really going to know a lot about the tax! Ask the

small business people in your communities what that will do.

I walked into a men's clothing store not long ago and the people there were appalled at the amount of extra work that it would cause them. This store is not computerized. It is just a normal store and people do not buy computers for a normal store. The work is done by hand.

These people are going to have to add the goods and services tax to the price, and then they will still have the sales tax to deal with. The owner of the store said to me: "What happens, Diane, when people have less money? The first thing they stop buying is suits and then I stop making money. Then I have problems and I have to start laying off some of my people because I cannot keep them employed", and so the story goes on. That is the reality of what is going to happen with this goods and services tax. The tax will impose further hardship on low income Canadians. There is no getting away from that. When you do not have any money and you have to pay more, it is bad.

Government members are trying to lull Canadians into believing what a bunch of good guys they are: "We are going to give you a tax credit". What they are forgetting to tell Canadians is that they are not fully indexing this tax credit. Therefore, after five years, many of the 500,000 Canadians who did receive the tax credit will no longer qualify, and those who do will have a much reduced amount of benefit.

I will state one thing: when the government brings in this new law in regard to RRSPs, it is planning to index fully the amount of money that rich people can invest in RRSPs. Therefore the government understands the reality of fully and partially indexing. If that reality is understood, perhaps the government would consider changing that portion and fully indexing the credit to low income Canadians.

I ask this government to scrap this bill, go back to the drawing board and come up with a whole new plan. The government's assumptions are flawed. The people of Sudbury and indeed the people of Canada ask the government to get in touch with reality, the realities of this country, and come up with something that will help the people of this country.

Mr. Taylor: Mr. Speaker, it gives me a bit of pleasure to be able to stand and ask the member a question. I was quite taken with the speech that she made opposing the goods and services tax. I am certainly very appreciative of