

Government Orders

country and holds back the ability of business to produce, to expand and to grow.

Where of all places do these policies have the most benefit and why? It is interesting when we look at the figures on growth in the economy that we see the greatest growth in the economy is in the prairie and the Atlantic provinces. Why does this happen?

Mr. Funk: Just like free trade.

Mr. Reid: It is because our economies in the prairies and the Atlantic are very capital intensive. They use machinery and big pieces of equipment. We need to bring those together to be able to extract and develop our raw materials. As well, those economies, because of the nature of this country, are based on export. What we see because of taxes on this sort of equipment is a constricting or a restraining of the economy to the tune of about \$9 billion a year.

Whoever you are, whatever side of this House you sit on, if we can see an increase in growth in this economy of \$9 billion a year, it is going to affect every one of our constituents. It will make their lives just that bit better. What we will see is investment in those areas that is being constrained today.

My friends opposite say: "What about free trade?" If you combine the effects of the changes in the goods and services tax with the benefits of free trade, we see growth in the economy of something approaching \$30 billion a year, and that is the equivalent of 5 per cent.

Mr. Funk: You don't even know what you are talking about any more.

Mr. Reid: I know exactly what I am talking about, and I am talking truth to my constituents. I do not keep them in the dark. I do not tell them to listen to what the NDP says and not anything the government has to say. I do not deny them information so that they do not know what is going on and constituents of mine and yours cannot make an intelligent decision because you are denying them the information and denying them a debate in this House.

Mr. Funk: Make a motion to withdraw closure.

Mr. Epp: How come you guys keep promoting socialism and eastern Europe is changing?

Mr. Reid: Come on, give me a hand here, Mr. Speaker. I would certainly like to thank my colleague from Manitoba for all his help.

What so many businesses and industries in this country face today is a tax on inputs, a tax on the goods, the products and the equipment they use to carry out their business. One of the great benefits of the goods and services tax is that we will see the tax on inputs eliminated through the input tax credit. What we hear is that that is businesses. What about people?

We should remember that businesses are people, that businesses are people who work in our communities, that businesses provide jobs that create opportunities and provide services. Businesses provide growth. Today, small and medium sized businesses in this country are facing a total mishmash under the federal sales tax. What we see is 75,000 different companies paying this tax. Remember, Mr. Speaker, businesses do not pay tax. We see 75,000 companies collecting this tax. Virtually the same amount will collect under the goods and services tax. They do not pay it; they collect it. Consumers pay the tax. Consumers are paying that tax now. My constituents and your constituents are paying that tax.

• (1630)

An hon. member: Who is the consumer?

The Acting Speaker (Mr. Paproski): I really cannot hear the hon. member who is on debate. The hon. member for St. John's East has the floor.

Mr. Reid: With four different tax rates and 22,000 special deals, we have a tax system that nobody understands. We have a tax system that distorts decisions in the economy, that distorts the realities in the economy, and that hinders the ability of people to conduct business and therefore consumers to get the benefits of a competitive economy.

An hon. member: Maybe you can learn how to grow cucumbers.

Mr. Reid: The problem is not growing cucumbers; it is selling cucumbers.

As we face some particular challenges in the economy in Atlantic Canada, as we look at a fishery that is going to demand attention from all aspects of government, from the economy, and from all parts of our society, as we look at a forest products industry that has a great opportunity to expand its horizons to export across not only this country but around the world, as we look at a growing and developing minerals industry particularly in my province, as we look at some opportunities for oil and gas development and as we look at the opportunities to develop the hydro resources, we see some excellent examples of how the goods and services tax as opposed to