

Government Orders

It destroys business opportunities. It destroys business incentive. It destroys initiative in the business community. It has had a general dampening effect on the local economies of the communities I represent and indeed communities across Canada. It has had a dampening effect politically on the fortunes of the Conservative Party of Canada.

We should not be dealing with amending this legislation as smoke and mirrors operations suggesting that the surpluses will be put into paying off the deficit. Recent articles in the newspaper indicated recovery, which is often predicted but certainly we have no substantial indication. If its arrival were to come, the Conservative Party of Canada and the Government of Canada would have an enormous war chest to attempt to buy back votes. This hoax of indicating that the money will be used to pay off the deficit is absolute nonsense.

The goods and services tax kills consumerism. There is a very definite cooling out of peoples' willingness to purchase goods, particularly in Canada. They are, in many cases, prepared to shop across the border. This tax is an incentive to do that. The goods and services tax cools out the consumer optimism and consumer confidence in small communities.

I feel that most Conservative members on the other side of the House, on walking into any small business in their communities, are told by the proprietor that if they had their first choice of things to do, it would be to get rid of the goods and services tax and possibly get rid of the proposed trade agreement with Mexico and the trade agreement with the United States. Certainly the goods and services tax is right up there on their minds. With the Conservative Party of Canada, the goods and services tax is going to be an anchor around its neck in the next federal election that will take it out of office.

My suggestion today would be that this government could do a great service to the men and women across Canada who operate small businesses by removing this tax. In fact, by removing this tax, it would enhance the business opportunities in those communities and it would see the growth of economic activity and economic well-being. It would also create employment and help confidence within the small business community. If it

was to remove the goods and services tax it would be a healthier thing for all Canadians. It is ironic.

Mr. McDermid: And cut the credit to the low income people.

Mr. Skelly (North Island—Powell River): It is interesting how the Conservative Party of Canada, in a very skilled manoeuvre, attempted to appeal to Canadians to take on the goods and services tax, to support it. What a hoax. What a sleight of hand and smoke and mirrors operation.

To the consumers of Canada, especially those consumers in the lower income level, this is one of the most regressive taxes that could be imagined. It is the worse place to put a tax, at the consumption end. Then the purveyors of the trickle down philosophies say: "Here we are. We will give you a goods and services tax rebate. We will take \$100 of your money and give you back \$10." This is nonsense.

This tax is harmful, not only to small businesses but to the economy of local communities and employment opportunities. It is a destructive, regressive tax against lower income Canadians. This tax should be placed at the income earning end.

As I mentioned at the opening of my remarks, the manager of an important hotel complex in the North Island—Powell River riding indicated: "Let me have an opportunity to make some money and then I will gladly pay tax. I will gladly pay more tax on an earned income rather than having the goods and services tax destroy the opportunity to make money. It cools out consumer confidence. People do not come to eat meals in this hotel". It is ironic. He says: "I believe in the trade union movement. My employees are organized. I run a restaurant with organized employees and the small snack shop down the street does not. They have an advantage over me, but I believe in that. But the minute you put the goods and services tax on meals then I have greater difficulty handling that".

I cannot respond in any positive way to the comments of the Conservative Party on this bill that is before us today on the proposal to spend some amount of surplus against the deficit. This is not a realistic approach to handling the deficit. It is an attempt to justify this tax. It is too late. Canadians know this cannot be justified. Conservatives have made a terrible mistake. It is time