

you this wonderful rebate". Should they not put in there, at least in small print so you can just barely read it, that the increase they provided in moving toward the world price has stripped away that small benefit and is driving more and more people to the brink of bankruptcy?

I am hopeful that we will hear from some Conservatives in the next few minutes. I would like to read a few more nice, clear quotes from the Hon. Member for St. John's West, the former Minister of Finance and now Justice Minister, because his quotes really hit the nail on the head. I quote from page 116 of *Hansard* for December 13, 1983, where the Hon. Member for St. John's West has this to say in referring to the sales tax increase:

This . . . is a huge regressive tax bite, far greater than the hospital insurance premiums collected by Ontario or any other province that this Government has now introduced legislation to try and stop. Hypocrites, cynics, manipulators guilty of deviousness, deviates; this is what this Government is composed of.

The Member for St. John's West has aptly described his own Party. I find it amazing. With regard to this tax increase we will vote on today, the headlines in *The Globe and Mail* and the headlines in Gander and Prince Rupert should read "Mulroney Government guilty of deviousness", that they are "deviates, hypocrites, cynics and manipulators", because that is a direct quote from their former Finance Minister. Those are the words that he used this year to describe this measure now being brought forward.

I will put one more quote on the record; they are so good that Canadians have to know where the Tories are coming from. I quote from page 1313 of *Hansard* for February 13 of this year where, talking about the Minister of Finance, he had this to say:

Would he agree to eliminate the federal sales tax increase of 1 per cent next October which he has already imposed on the Canadian consumer? Does he agree that Canadian consumers must be helped if there is going to be a continuing recovery?

That says it all. In Bill C-17 the Tories have introduced tax measures which they opposed during the election, in the House of Commons and as Party policy. It is a shameful day when we have to watch Tories get up and vote for what they in principle and policy opposed.

**Mr. Deputy Speaker:** Are there any questions or comments on the Hon. Member's speech?

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, if there is one thing the bringing forward of this Bill demonstrates, it is the fact that the more things change, the more they remain the same. When in opposition, the Progressive Conservatives opposed this Bill vehemently. The main provisions of this Bill are proposals brought forward by Mr. Lalonde, Minister of Finance in the previous Liberal Government. The present Minister of Justice (Mr. Crosbie), then finance critic for the Official Opposition, was scathing in his criticism of this Bill. I wish to put on the record a couple of quotes from speeches which he made. On December 13, 1983 he said, referring to the sales tax increase:

### *Excise Tax Act*

This . . . is a huge regressive tax bite, far greater than the hospital insurance premiums collected by Ontario or any other province that this Government has now introduced legislation to try and stop.

He went on to characterize the then Government as follows:

Hypocrites, cynics, manipulators guilty of deviousness, deviates; this is what this Government is composed of.

On February 16 of this year, talking about the then Minister of Finance, he had this to say:

The Minister calls it the special recovery tax. He should call it the special recession tax. There is no recovery. This tax is not going to help it, this special recession tax . . . Where does the Minister help domestic demand in this Budget? . . . He might help consumer demand if he did away with the 1 per cent increase in the federal sales tax that is coming in October. It is a regressive tax that bears more heavily on lower income people.

The then finance critic for the Progressive Conservative Party was 100 per cent right. This is a very regressive tax. The increase of 1 per cent in the sales tax will take from the people of Canada between \$2 billion and \$3 billion in purchasing power between 1984 and 1988, a time when our manufacturing sector is operating at only 72 per cent of capacity.

The then finance critic of the Conservative Party was correct when he attacked the then Liberal Government proposal to increase the sales tax by 1 per cent. Nothing has changed. The addition of 1 per cent to the sales tax will have exactly the same effect which he predicted less than a year ago. It will lead to a slowing down of the economy rather than improving it.

Why is the Government going back on the position it took when in opposition? They tell us that the Government's financial cupboard is bare and that this tax is necessary to help deal with the deficit. Surely it is now obvious that the large deficit which we face and the deficits faced by all of the provincial Governments, whether they be Conservative, Social Credit, New Democrat or Parti Québécois, have not been caused because Governments have over-expanded but because the economy is operating at so much less than its capacity. It is because there are a million and a half unemployed people. People who are not working are not paying income taxes and are not purchasing goods and services thereby contributing to revenues of government through the payment of income and sales taxes. Instead of contributing to the revenues of the country, they are helping to increase the deficit because when they are not working they are collecting unemployment insurance benefits; or, if they have run out of unemployment insurance benefits as so many Canadians have by now, they are on welfare. Both of these create tremendous costs for federal, provincial and municipal Governments. As well, because they are not working they are not in a position to do the kind of purchasing which would help the economy grow.

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If the Government wants to deal with the deficit, it needs to do a major review of the entire tax system. Surely it is now obvious to everyone that our tax system is simply not working as it should. What the former Liberal Government did over the years it was in power and what the present Conservative Government is now doing is to skew the tax system so that