

As for the hon. member's second question, when we realize that every hour, twenty-four hours a day and seven days a week, \$4 million is leaving this country in dividend payments and that the government has the nerve to reduce the withholding tax on these dividends, it is incredible. I think Canada is probably one of the few countries in the world where so many dividends are paid abroad, supposedly to pay for investments made in this country. Of course there is investment in this country, but certainly not as substantial as the dividend payments that leave this country. The government's way of dealing with these dividends is strange to say the least. You tell me the tax was reduced from 10 to 5 per cent. In the circumstances, this is unacceptable. I think all these factors would merely aggravate the financial situation in this country.

The Acting Speaker (Mr. Paproski): The period for questions and comments has now expired. Resuming debate. The hon. member for North Island—Powell River.

[*English*]

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, the debate today in this House has focused around the legitimacy of the objective in the Conservative bill that would see GST revenues allocated to debt servicing and hopefully the reduction of the debt. I think it has been clearly established from the opposition side of the House that that is a fiction.

• (1620)

I would like to expand the debate into the goods and services tax to talk about the impact on the debt. Of course we cannot examine that question in detail unless we take a look at the debt. In this country I think Canadians believe that the goods and services tax is a tax which destroys business opportunity, business enterprise, consumer confidence and is a deeply regressive, repressive tax on Canada's lower income Canadians. A consumption tax in those lower income brackets truly harms Canadians. It is extremely difficult to come up with the cash to make purchases when you must add an extra 7 per cent. It cools out the business activity in local economies right across Canada. It creates unemployment. It creates reduced business activity and over all it has been a very harmful and repressive tax in Canada.

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It is not the only source of our debt. It is interesting to watch how that debt is mounting. The Conservatives assure us that they are taking measures that will reduce that debt but that is not the case.

I would point to the Canada-U.S. trade agreement as one of the great debt generators in Canada. That is an agreement to move Canadian factories to the United States from a high-wage area to a low-wage area. It puts Canadian workers on social assistance. It is so much harder now to collect unemployment insurance because the Conservatives, instead of assisting people through that mechanism, have actually just put it beyond their reach.

The Canada-U.S. agreement is an agreement to move Canadian jobs to the United States. We have now 1.5 million people out of work and it will continue to increase. In the area in which I live, we are going to watch newsprint be manufactured in the United States instead of Canada. We are watching harm come to us through the softwood lumber and the fishing industry. These are all Canadian jobs that have moved to the United States. That is a new source of debt, and an enormous one. That agreement is the agreement to make Canada the Puerto Rico of the north.

The debt in Canada is of course growing. The bill before us today to allocate GST revenues to service the debt is of course nonsense. This government is forging ahead with a North American free trade agreement with the United States and Mexico. That agreement is nothing more than an agreement to move Canadian jobs all the way to Mexico and not stop in the United States.

Those jobs in Canada would pay \$14, \$15 or \$16 per hour with maybe another \$8 to \$10 benefit load for life insurance, medical and dental care. One expects this for producing quality goods. These jobs will go to Mexico where they will pay 80 cents per hour or about \$6.40 per day if they manage to achieve an eight-hour day. There will not be any benefits so the load above that will not be very much. There will be no environmental or other standards or any health care provided.

At 80 cents per hour we do not have a chance as Canadians. More Canadians will wind up on social assistance because by that time it will be extremely hard to continue to provide an unemployment insurance scheme. It will also be very hard, if not impossible, to provide a health care scheme, social assistance and all