

*Government Orders*

any region dependent on the service sector "would be relatively more adversely affected by the goods and services tax than a region that is less heavily dependent on services".

I mention also the Nova Scotia Board of Tourism which initially supported the concept of the goods and services tax but has withdrawn its support saying that it will devastate the tourism industry in that area.

We in the New Democratic Party say it is time to stop punishing the people of Atlantic Canada. It is time to introduce reforms that will revive their economy, not tax measures that kick them while they are down.

[*Translation*]

What does the GST mean for Quebec, Madam Speaker? It means that goods that previously were not taxable, such as furniture, clothing, textiles and shoes, all essential goods, will be taxable under the GST. It means an increase in the price of new homes and in rental costs, as well, since landlords are obviously going to pass on the tax to their tenants. I may add that 75 per cent of Montreal residents are tenants. Like everywhere else in the country, the GST means inflation, a headache for small business and inequity for the poor.

That is why the Confederation of National Trade Unions, the Federation of Co-operative Family Economics Associations of Quebec and the national federation of Quebec consumer associations are against the GST.

[*English*]

I have two final points on the goods and services tax. First, in addition to its direct damage it brings with it many side effects. Items that are not themselves taxed will eventually end up costing people more.

I would like to give just one example. Child care is not going to be taxed, as we know, but child care costs are inevitably going to be higher when the child care providers have to pay taxes on all supplies and services that they buy. Again it will be the parents who will have to pay that additional cost.

In short, the GST introduces a dangerous inflationary effect into the economy. This inflation will affect everyone: farmers, fishers, forestry workers and family physicians. While prices go up, wages will be suppressed and

the real standard of living of millions of Canadians will decline.

If this government thinks that pushing the goods and services tax from 9 per cent down to 7 per cent will be met with shouts of joy from the mountain tops, it can forget it. The polls indicate that and, as we have said before, this party is going to express the voice of Canadians inside this House and outside this House.

The minister mentioned the manufacturers' sales tax, that silent killer of jobs. When I was a member of the finance committee I asked officials how many jobs this silent killer killed. They were not able to say. When it was decided by this government to augment the manufacturers' sales tax, not once, not twice, not three times, but four times, I asked how many jobs it had estimated would be lost by this move. Obviously, the silent killer of jobs was so silent there were absolutely no figures to prove that assertion.

We know that the goods and services tax will not stay at 7 per cent and will be right up there at 9 per cent next year or the year after. It will keep going up in order to pay for this government's wasteful and inefficient economic policies.

• (1650)

This tax is opposed by more Canadians than any other policy in the history of this government. It is opposed by labour unions, women's groups, farmers' associations, senior citizens' groups, and small business people. Never before has such a coalition been formed. Can this government not hear that message? The message is that this tax must go.

Let us put the tax in the context of the government's economic agenda. First, let us look at the goods and services tax and high interest rates. Nothing demonstrates more graphically the consistency and coherence of our finance minister's approach to the economy. The hon. Leader of the Opposition talked about bringing a blackboard in to explain some of the convoluted instructions around the collection of the GST. We would like to see what the government's economic agenda looks like when it is really explained in simple terms.

As all the members of this House know, the government has been deliberately pursuing a policy of high interest rates. Never before has there been such a gap between the Canadian rate and the American rate. The stated goal of the policy is to keep inflation down. What