

Oral Questions

Mr. Wilson (Etobicoke Centre): But again he has never made it clear what he would replace it with. Is he going to replace it with a value added type of tax? Is he going to replace it with an increase in the deficit? Is he going to go back to the drawing board and keep the existing tax in place which he says is such a terrible tax. This is the depth of understanding, the depth of commitment to policy development in this country by the Liberal party.

Let me comment on the substance of the question that the hon. member raised.

Mr. Turner (Vancouver Quadra): Oh, come on.

Mr. Wilson (Etobicoke Centre): After about a 20-minute preamble on the part of the Leader of the Opposition, he is telling me he does not want me to respond to the specific things that he raised in his preamble. He should be patient.

What I am saying is that we have taken a number of steps in the design of the goods and services tax to help the small business community. We have streamlined accounting procedures which are far simpler for them to comply with than the larger corporations.

Mr. Turner (Vancouver Quadra): Why don't you explain that to Mr. Bulloch.

Mr. Wilson (Etobicoke Centre): The hon. member just keeps blabbering away here. I think the Leader of the Opposition should understand that he cannot listen when his lips are flapping as quickly as they are.

Some hon. Members: Hear, hear!

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is for the Minister of Finance. I think he has opened up an avenue that may be very helpful to him, in his offer to brief the Leader of the Opposition on the goods and services tax.

Is the Minister of Finance prepared to come with me and with other members of this House, perhaps the Secretary of State for External Affairs, to Edmonton, Alberta, to brief Albertans on this goods and services tax as opposed to sending the chairman of the finance committee out to Edmonton, Alberta?

Would he like to undertake today, at his convenience, to attend upon the people of Alberta and to brief them on the goods and services tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have been in the province of Alberta and talked about the goods and services tax. I have made a number of speeches there. I was on a nation-wide open line cable television show which included Calgary, Medicine Hat and other communities in that area. I am happy to go anytime, and I would be happy to do it with the hon. member. We can then compare just what the truth really is about this tax because I think the hon. member for Gloucester probably would be a little straighter with people than with the Leader of the Opposition.

Mr. Douglas Young (Gloucester): Mr. Speaker, I am sure that we can make those arrangements and I will look forward to doing that.

I have a supplementary question for the Minister of Finance. Since he seems to be ready to damn the torpedoes and full speed ahead with the goods and services tax, I wonder if the Minister of Finance today would indicate what is the policy of the government, in view of the fact it is insisting on bringing in the goods and services tax which everybody admits will be inflationary. There is some discussion as to how much.

What is the policy of the government with respect to the high interest rates? Is it against the fact that the dollar dropped in the last week to help Canadian exporters? Is it your intention to maintain high interest rates and a high Canadian dollar no matter what damage it does to the Canadian economy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have heard from both the Leader of the Opposition and the assistant finance critic for the Liberal party on the damage that they say will be done by the GST to the economy.

It is quite clear on the part of a wide range of analysis that the GST will be good for the economy. It will help our exporters. It will put Canadian domestic producers on a level playing field with importers. Importers now pay one-third less federal sales tax than Canadian producers do. It will help investment. The Leader of the Opposition said it will kill investment. On the contrary, it will reduce the cost of investment, equivalent to a 4 per cent investment tax credit. All of this is going to help the economy.

The hon. member has asked what our policy is on interest rates. Our policy has been designed to get