

*Oral Questions*

Yet for the past year the Government has had in its possession a secret Finance Department study which makes clear that Canadian consumers would not benefit from reductions in tariffs unless wholesalers and retailers passed along those reductions and lower prices, something which has not necessarily happened at all.

**Mr. Mazankowski:** That is really startling.

**Mr. Gray (Windsor West):** Why has the Government been telling Canadians that the benefits of these tariff reductions will definitely go to them when it knew that this was not necessarily going to be the case? Why will the Government not call an election right away to give Canadians a chance to decide whether they want to have a trade deal from which they will not benefit in spite of the claims of the Government that they will?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the light has gone on.

**An Hon. Member:** But nobody is home.

**Mr. Wilson (Etobicoke Centre):** The House Leader of the Liberal Party has suddenly realized that there is a market-place, that retailers and wholesalers are allowed—can you believe it—to set their own prices in this country.

**Some Hon. Members:** No!

**Mr. Wilson (Etobicoke Centre):** The Finance Department study is not a secret study, it has been made public. The Finance Department study says that on a conservative basis there will be a reduction in prices of a certain amount. I do not have that figure off the top of my head but I think it is something in the order of 4 or 5 per cent.

There will be a reduction in prices of 4 to 5 per cent assuming that the market-place does not pass on the full amount of the reduction. However, if the wholesalers and retailers do pass on the full amount there will be an even greater reduction in prices over and above the 4 or 5 per cent about which I have just spoken.

## GOVERNMENT POSITION

**Hon. Herb Gray (Windsor West):** Mr. Speaker, why does the Government not confirm that it can give Canadian consumers no guarantees whatsoever that they will benefit one bit from any reduction of tariffs that will come about from its trade deal? Is the Government not, through the Minister of Finance, admitting today that it is leaving what will happen to consumers up to the wholesale and retail sectors and that the Government does not care about what they do?

Why does the Government not admit this right now and confirm that as far as the Government is concerned there will really be no benefit for consumers and that the Government does not really care about that because it cannot guarantee consumers one cent of benefit from its trade deal?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I do not think that anyone in this world can guarantee things for Canadians, whether prices or even whether the Member for Windsor West is going to get re-elected. We cannot guarantee that. We are going to work like hell to make sure it does not happen.

**Mr. Gauthier:** You know what is going to happen to him, Mr. Speaker.

**Mr. Axworthy:** We will not see you at next year's Christmas party.

**Mr. Wilson (Etobicoke Centre):** Mr. Speaker, since I answered the first question I have received a copy of the Economic Assessment. This is the so-called secret study to which the Member for Windsor West referred. If he would read the material that comes out from the Government he might be able to ask more reasonable questions.

In this document it says quite clearly that the cost of consumer goods imported from the United States could be reduced by about 5 per cent on average. I have said that that is based on conservative assumptions.

**Mr. Boudria:** That is what is wrong with them.

**Mr. Wilson (Etobicoke Centre):** If the retailers and wholesalers pass on the full savings we will see those cost savings increase more than the 5 per cent indicated there.

As a final point, Mr. Speaker, I cannot quite understand all this fear, this horror, of free trade. Seventy-five per cent of the goods which are imported into Canada from the United States now are free of tariffs.

## EFFECT ON CONSUMERS

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, I would like to pursue this question with the Minister further. He suggested that his report is the secret study. Of course what we are talking about is the memo of December 16 that was released to Canadian Press under Freedom of Information.

● (1130)

That memorandum said that consumers would not get the full benefit of tariff reductions. Why has the Minister not let Canadians know of this conclusion? Why has he kept it secret? Why has he misled consumers about the gains they might get?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I do not quite understand why the Hon. Member is so upset about this point. We have made a conservative judgment of some economic analysis. We could have put in that the full reduction of prices would be passed on to the consumer. Then the Hon. Member would be standing up to say that we exaggerated the impact of the free trade agreement, that we were leading the consumer down the garden path. That is not the case. We are saying that this is the conservative judgment