

Oral Questions

the phone, call John Crow and say, John, put interest rates down". There is only one way—

Mr. Nystrom: We told you that in June. The finance committee told you in June.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, my hon. friend says that he told me in June. He told me a year ago too, and a year and a half before that. The problem is that if we had taken the advice of the New Democratic Party and followed a low interest rate policy, the inflation number that was released this morning, which has inflation running at 5.5 per cent, would be a good deal higher because there would be more money in the economy today, more money chasing after the same number of goods. That automatically pushes up the price of products. That automatically pushes up the level of inflation. That automatically pushes up the level of interest rates that Canadians would be willing to pay.

That, Mr. Speaker, shows the disastrous depth of ineptness of the New Democratic Party in their understanding of economics today.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, the minister talked about sucking and blowing. Those were his words. We certainly heard a lot of it today from the minister. Interest rates are up, inflation is up, the deficit in terms of balance of payments is down two months in a row, the impact of the GST is pending and the free trade agreement.

You say that you are on a course of correcting the problems. The deficit is higher, the debt is higher. You are a disaster as the minister and you say that everything is in order.

Some hon. members: Order!

Mr. Barrett: If that is what you call order, Mr. Minister, I want to know what the hell disorder is in this country.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me be quite clear with my hon. friend. He has said that I have said everything is in order. I have not said everything is in order. I have said quite clearly that we have a level of inflation that is too high and that we must get that down. I have made it very clear, in my previous answer, that the way the New Democratic Party would have us get the interest rate down would compound the inflation problem.

Mr. Barrett: Nonsense, absolute bloody nonsense.

Mr. Wilson (Etobicoke Centre): My hon. friend is saying that it is nonsense, absolute bloody nonsense. It is clear that my hon. friend was a social worker and a radio announcer before he got into this House, because he sure as hell was not a economist.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is for the Minister of Finance.

The Quebec coalition against the GST yesterday officially launched its campaign to protest this highly regressive tax which the federal government intends to impose starting January 1, 1991.

Has the minister considered the loss of 25,000 jobs in Quebec and that unions are already asking for cost-of-living increases in their negotiations to reflect price rises due to the GST?

Will the minister take account of the coalition's demands to withdraw this tax immediately?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we listened very carefully to people over a two and a half year period on the question of the GST. We put out a White Paper. We put out a technical paper. We have put out legislation. We have listened continually.

We have also listened to people such as John Bulloch, who is on record as saying that he does not know an alternative to a value added type of tax.

We must replace the existing federal sales tax. The Liberal Party of Canada has not put up an alternative to the goods and services tax. It also is on record as saying that the existing federal sales tax must be replaced.

Until my hon. friend is able to put up an alternative, he does not have the credibility to make the statements that he has just made in this House.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, this minister does not listen to John Bulloch. John Bulloch also told him to scrap this tax and start all over again.

Why does the minister not listen to the Coalition of Quebecers Against the GST, a coalition of people from all walks of life, such as single parents, consumers, women and seniors? They are all saying: "Stop the tax!"