

factor will be 1.25 per cent. You say it is zero. Labour economists say it is 3 to 3.5 per cent.

You are basing your conclusion of revenue neutrality on the fact that everyone will drop their prices to the full extent of the present manufacturers' sales tax. You know that is not the case. As a wholesale merchant I know that is not the case. I can say right here it is not likely that our company is going to reduce its prices fully when the government is only going to pay us 8.1 per cent instead of the 13.5 per cent as a rebate for the sales tax we pay.

All I am saying is that the premise that all prices are suddenly going to drop to the full extent, to the last decimal point, and be reflected in the final selling price is just inaccurate. Most people in business know this.

The second aspect, and we have talked about this before, is the inflationary effect of labour. I have read about some labour contracts which already have built into them the effects of the GST on prices, and that will mean higher wages.

When you add the two together, no economist says prices will not go up. The argument is simply about how much, and that is the answer I have for you.

Senator Simard: Let me try something—

Senator Gigantès: No, you have to ask me for permission to talk to him.

Senator Simard: Then I would like to adjourn the debate.

Senator Buckwold: Honourable senators, I have concluded my point of order.

MOTION FOR THIRD READING—DEBATE RESUMED

Senator Gigantès: Honourable senators, I will promise that I will make an attempt on Monday to come back to this issue. However, I would like to point out that we have heard today Senator Simard and Senator David asking what is the Liberal alternative to the GST. How would we achieve full employment?

I want to point out that I have covered those issues in full detail. I have read the documents and given all the numbers. I told them what the documents are. In a sort of fit of incredible generosity I even promised to buy a copy of my book in a

bookstore and give it to Senator Simard so he can see in detail, with all the costs, how full employment can be implemented. Adopting a full employment policy, as the Economic Council of Canada now says, finally following my suggestion, is the only way to reduce the deficit and the debt in the long run.

● (1200)

What the demonstration made today by the Tories proves is that they do not want to hear that there is a Liberal alternative, because they want to go on parroting their propaganda line that there is not. And when they ask, "do you have an alternative?" and you tell them the alternative, they then say, "So you do not have an alternative." That is infantile behaviour. Maybe I can understand and forgive that on the part of Senator Simard, but on the part of Senator David, a man of science, I find it peculiar.

Some Hon. Senator: Hear, hear!

Senator Gigantès: I have not finished yet. Anytime now we are going to adjourn. I would like to wish you all a happy and restful weekend. I know that I have a very difficult task to perform on Monday, because after three attempts I cannot manage to get some obvious facts into your comprehension. Maybe you understand; maybe what you are doing is dishonest propaganda. As I said, from Senator Simard that does not surprise me, but from Senator David it shocks me, because this is a man of science whom we all respect. It truly shocks me, sir, that you parrot the inane phrenological statements of the gentleman on your left.

I can understand that Senator Poitras does not want to listen, because he is one of those whom I call, not a Canadian citizen, but a corporate citizen.

After Monday, I hope the press listens. There is a Liberal alternative. We give the Liberal alternative and you keep parroting that there is not one.

Thank you very much. See you Monday.

Hon. Royce Frith (Deputy Leader of the Opposition): Honourable senators, pursuant to provisional rule P-2, and the unanimous consent given yesterday to move such a motion on this day, December 7, after 12 noon—

Senator MacEachen: Are you going to move, "I see strangers", or are you going to move one of the others?

Senator Frith: I move that the Senate do now adjourn.