

*Oral Questions*

question is how do we make goods acceptable here, not how do Canadians pay more tax.

Given the effects the GST has had, will the government finally look at a solution that will work and withdraw the GST?

**Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance):** Mr. Speaker, the information I am about to impart to the hon. member may be devastating to her. I have in my hand a pre-budget submission by the Canadian Manufacturers' Association which says in part that lower interest rates had helped reduce corporate financing charges in 1991 by \$500 million and, second, I quote: "The implementation of the GST has also been of significant benefit to the manufacturing sector. The tax savings that manufacturers realized by the elimination of the federal sales tax on investment goods may have been as high as \$3.5 billion in 1991".

**Hon. Audrey McLaughlin (Yukon):** Mr. Speaker, this is great news, I suppose, but can the minister tell us why there are increasing bankruptcies and why we are losing billions of dollars to cross-border shopping if it so much improved the manufacturing sector in this country?

[Translation]

I have a supplementary question for the Deputy Prime Minister. Clearly the GST is contributing to cross-border shopping. More taxes are not an answer. I would again like to ask the minister whether he is prepared to consider removing the GST in order to increase shopping here in Canada and not outside Canada.

[English]

**Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance):** Mr. Speaker, the hon. member takes great joy in blaming all the ills of the economy on the GST. I will quote further from the document because that might be very revealing to her as well. It goes on to say: "Manufacturers passed these tax savings and considerably more along to the consumers in the form of lower prices".

Some hon. members: Oh, oh.

**Mr. Mazankowski:** There it is, Mr. Speaker.

**An hon. member:** They don't like good news.

**Mr. Mazankowski:** "While the elimination of the federal sales tax alone would have allowed manufacturers to reduce selling prices by 1.2 per cent in 1991, industry selling prices in Canada actually declined by 2.8 per cent over the course of the year". The GST has had the effect of reducing prices and lowering the cost to the consumer, not increasing them as the hon. member alleges.

**Hon. Audrey McLaughlin (Yukon):** Mr. Speaker, I have a supplementary question.

The GST has added to unemployment. There is over 10 per cent unemployment; 1.5 million Canadians are unemployed. They cannot afford to make the purchases this minister is talking about, but people are going across the border. That is the problem for Canada.

Yesterday in this House the Minister of Employment and Immigration said that there are skilled jobs for people to take. I want to ask the Deputy Prime Minister: Is it a fact that this government is prepared to cut training funds for skills training, the very skills that his minister said were needed?

In fact the memos we heard about earlier today, and I have copies here, indicate a 20 to 50 per cent cut in training. Is it correct that the government is prepared to do this and cut workers off at the knees by cutting back training?

**Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance):** Mr. Speaker, the hon. member does not have to take my word for the fact that the GST has helped the manufacturing sector. She can phone the Canadian Manufacturers' Association herself and find out what the conditions might have been had it not been for the implementation of the GST; had it not been for the withdrawal of the silent killer of jobs, the federal sales tax.

In so far as training funds are concerned, I only repeat to the hon. member that \$3.1 billion has been allocated this year and \$3.4 billion is allocated next year.

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**JOB TRAINING**

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, my question is for the Minister of Finance.