

dian farmers so we can launch a GATT panel hearing to protest these American actions.

Canadian farmers are fed up with the United States clawing to get into our markets while restricting our entry into the United States.

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## ORAL QUESTION PERIOD

[English]

### THE ECONOMY

**Right Hon. John N. Turner (Leader of the Opposition):** In the absence of the Prime Minister, who is probably holding some hands with the Minister for International Trade and the Minister of Communications, although we see the Secretary of State for External Affairs in his seat this Friday morning, I will put my question to the Minister of Finance.

There is yet more evidence this morning that the Canadian economy is entering a period of slower growth. The deputy chief economist for the Royal Bank of Canada adds his voice to others who predict a recession. You do not have to be an economist to know that this is not the time for any government to be bringing in a new, massive, regressive, hidden sales tax in the form of the GST.

The new sales tax will add to consumer costs, fuel inflationary pressures and choke off investment. Why does the Minister of Finance still insist that now is the time to slam the economy and all Canadians with this massive, hidden, regressive sales tax?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, first let me say that the slowing in the growth of the economy is something we have been expecting. I spoke about it in my last budget—

**Mr. Gray (Windsor West):** It was caused by your budget. You admitted it.

**Mr. Wilson (Etobicoke Centre):** As colleagues will recall, I said it was important that we see some slowing in the growth of the economy because we needed some relief from the inflationary pressures that have been causing the high interest rates that we have been living with now for over a year.

### Oral Questions

**Mr. Gray (Windsor West):** You are causing the high interest rates.

**Mr. Wilson (Etobicoke Centre):** The House leader for the opposition says that we are causing the high interest rates. The high interest rates are there because we have a high level of inflation and have had for some time. We are learning of the damage that was done in the late 1970s and the early 1980s, because the government at that time ignored the inflation problems and let it get out of control. That led to the high interest rates, high inflation, and high unemployment that were so serious in 1982 with the recession that we had. This is precisely what we are trying to avoid.

The hon. Leader of the Opposition says again that this is a hidden tax. It is not a hidden tax. If the hon. member looks at the tax we have today, it is absolutely hidden. There is no way that people can tell what the existing federal sales tax is, but if people look at what will happen when the GST comes into place, they will see it is a very visible tax. There are very few people in this country who are not aware of the GST.

**Right Hon. John N. Turner (Leader of the Opposition):** From the way the minister is talking this morning, he is going to be his own self-fulfilling prophecy in terms of the future of the economy.

The Prime Minister is not here, but I wonder whether the Minister of Finance could give him a little arithmetic lesson. The Prime Minister is telling the country that because the 13.5 per cent manufacturers' sales tax has been lowered to a 7 per cent retail goods and services tax, this is less of a tax.

• (1120)

Would the Minister of Finance be good enough over the weekend to take the Prime Minister aside and tell him that this new tax will be \$7 billion more? Will he take him through the calculations which show that a tax on a retail price takes far more out of a consumer's pocket than even a higher tax way down the line at the manufacturer's sales level. Perhaps he will be good enough to illustrate that to the Prime Minister and get him off that particular argument.

**Mr. Clark (Yellowhead):** Do you have a question?

**Mr. Turner (Vancouver Quadra):** On top of that the minister was giving us a lecture this morning, a kind of diluted Economics 100-1/2.