

Oral Questions

could start Canadian banking operations. Does that promise still stand?

[English]

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, given the enormous amount of work that has been undertaken over the past year, particularly in preparing financial institution reform, I am afraid it cannot be in place before American Express receives its licence.

That means, of course, that American Express will be in a position to offer certain services that other banks might momentarily be prevented from providing, but for a very short period only.

• (1440)

Mr. Jim Peterson (Willowdale): Mr. Speaker, on February 3, the Minister of Finance promised Canadians that we would have this new financial legislation in place. His promise is right here in his press release. He said that we would have this new financial legislation in place before American Express would be allowed to operate as a bank in Canada.

My advice to the Minister of Finance is, take your American Express card and never leave home without it, because you have given up your credit with Canadians.

Why has this minister kept his promise to American Express? Why has he broken his promise to Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would suggest that the hon. member get his lines from the member for Gander—Twillingate in the future.

The specific question that the hon. member has asked relates to what I said about a year ago. Our intention was to get the legislation before Canadians before the mid-year, I believe is what I said.

As my colleague has stated, a considerable amount of work needed to be done to get together financial institution legislation. The legislation needed a great deal of reform because, in some cases, the existing legislation is 65 or 70 years old. That has taken time. But we are working on it, and hope to have the legislation before the House at an early date.

GOODS AND SERVICES TAX

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, you will recall last summer that the government spent about \$800,000 on an ad in daily newspapers about the GST, and the minister appropriately had his knuckles rapped for spending taxpayers' money in that way.

Now we have another fancy brochure advertising and promoting the GST to the small business community in this country.

Does the minister consider it appropriate that he should spend \$1.3 million of the taxpayers' money? Is it proper to spend \$1.3 million of the taxpayers' money on promotion, propaganda, on a fancy pamphlet before a law has been passed in the Parliament of Canada? Is that appropriate, or is it not?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is quite appropriate to inform Canadians, in this case small businesses, of the importance of a particular issue that they will have to deal with on January 1, 1991.

The legislation is before the House today. My friend is well aware that this is a very important initiative for Canada, for the Government of Canada and that we are proceeding with this legislation.

This is information which small business people have been asking us to provide for them. It is consistent with the direction which the finance committee recommended, following the return of the committee from New Zealand, where they learned from the New Zealand experience. The committee recommended that we provide full information to those who are affected by the proposed tax. That is the basic reason why we are providing this information.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the bill has not passed the House yet. It seems to me that it is rather arrogant to anticipate what this House may or may not do. Advertising is advertising, promotion is promotion.

I would like to ask the minister once again, how can he justify spending the taxpayers' money on partisan promotion of a tax that the people of this country do not want. How can he do that?