

Oral Questions

In the face of 268 farm bankruptcies on the prairies, the loss of 11,000 manufacturing jobs in Manitoba alone, will the minister now admit that he and his policies are a total and dreadful failure?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member is selectively referring to what the premiers said. He neglects to say that in 1988 they unanimously came out with a recommendation to get interest rates down. If we had done that, we would have a rip-roaring inflation problem today, the likes of which they have in the United Kingdom today. I remind hon. members that the inflation rate in the United Kingdom is 10.6 per cent.

The hon. member criticizes the GST, saying that it will be tough on agriculture. What my hon. friend should do is go and speak to the Canadian Federation of Agriculture. They will explain to him that they support the GST because there will be a \$250 million saving to agriculture. Let me repeat that, Mr. Speaker, a \$250 million saving for agriculture as a result of the elimination of the federal sales tax and the introduction of the goods and services tax.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I wish this minister would come west. My home city of Winnipeg has a proud heritage in transportation, yet this week there were 223 more lay-offs at Air Canada and 125 more lost jobs at CN Rail, which will result in taking \$8 million out of the Winnipeg economy. I have said nothing about the total collapse of the trucking industry in my province.

I want to ask the Minister this. Will he now realize that Manitobans are hurting, as are all Canadians, and that his policies are crippling the Manitoba economy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have never said that Canadians are not hurting. I understand—

An hon. member: You said it was silly.

Mr. Wilson (Etobicoke Centre): No, no, I said the Leader of the Opposition was silly.

I have said that I understand that the period we are going through now, which I anticipated some while ago, would be a difficult one for Canadians. But what we have to understand is the alternatives.

We could have avoided this period we are going through now. We could have let the party go on for another three, six, or nine months, but then the problems would be that much greater. What we are trying to do is avoid the boom and the bust that we had in 1981–82 by taking steps earlier to anticipate the problem and to get the problem under control before we lose control of it, and that is precisely what we are going through now.

I said in my budget that there will be great demands for quick-fix solutions to this, quick-fix solutions that are not possible. Unfortunately, my colleague is looking for a quick-fix solution which simply will not work.

Ms. Mary Clancy (Halifax): Mr. Speaker, the Atlantic provinces are in agony. Prohibitive interest rates, hundreds of jobs gone, yesterday, at Air Canada and its Atlantic service division, the looming GST, and now a man-made recession. I have a question for the man, the Minister of Finance.

Why is he hell-bent on destroying the Atlantic provinces and why does he consider their fears about this situation, in his own words, silly?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is silly for the hon. member to suggest that I am hell-bent on destroying the economy of the Atlantic provinces. What I have tried to explain to the hon. member and her colleagues is the basis for the policy that we have been following.

She should reflect back to what happened in the 1970s and the early 1980s. The government of the day swept the problem of inflation under the carpet and allowed inflation to go to 13 per cent. That resulted in interest rates of 20 per cent to 25 per cent and that, Mr. Speaker, did destroy the economy of Atlantic Canada. If she could understand the fact that we tried to anticipate the problem in this business cycle, not let inflation get out of control, and avoid the problems that we ran into in the 1970s and early 1980s, she would understand the basis for the policy that we are following today. It is a policy of leadership, of avoiding problems before they get out of control.

Ms. Mary Clancy (Halifax): Mr. Speaker, if the hon. minister avoids any more problems, the Atlantic provinces will disappear. Overnight, in Nova Scotia, heating oil is up three cents a litre, gas is up two cents a litre, and the other Atlantic provinces will soon have to follow suit. In our region, this winter, Canadians will be unemployed