

Oral Questions

[Translation]

IMPOSITION OF FEDERAL SALES TAX—PRIME MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is addressed to the Right Hon. Prime Minister. Since he claims to promote national reconciliation, how can he justify his unilateral action in imposing a federal sales tax? How can he justify this action faced with the unanimous opposition of the provinces and how can he explain this action to us when all experts agree that without the provinces' involvement, this new tax will be an indescribable administrative mess?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Finance and his colleagues met for about two years to find a way for both levels of government to agree on such an important tax. It became obvious that the provinces, for their own reasons, could not deal with such an important subject, in view of certain time constraints they were under.

Therefore, the federal Government, based on the options outlined in the White Paper, decided to proceed with an option in the national interest.

The Government and Parliament of Canada make every effort to reach agreement with the provinces in important areas of our national life, but ultimately, it is the federal Government and federal Parliament that speak for the national interest. Here in this House, we speak for the Canadian interest and we acted according to what Canada needs.

COLLECTION OF TAX—PRIME MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I should like to ask the Prime Minister whether he thinks that the interests of Canadians and the interests of taxpayers will be served by the fact that anywhere between 5,000 and 10,000 new public employees will have to be hired to collect his famous tax?

Is it in the interest of Canadians to set up a new parallel tax collection system when the provinces already have 50 years of experience in that field? Does the Prime Minister think that is showing respect for the taxpayers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the figures may need official confirmation. Contrary to the administration to which my friend from Shefford used to belong, since this Government took office the number of federal public employees has been

reduced by roughly 12,000. I would suggest this is a significant achievement.

If over the coming years we should need a heavier tax to promote Canada's economic growth, we will not hesitate to do just that. Our responsibility is to protect the national interest and promote the Canadian economy, and since we took office we have brought renewed prosperity to this country. We want Canada to remain competitive in the next century, and this can only be done by getting rid of a harmful tax and replacing it by another one which will make us more competitive and be fairer to all Canadians.

REQUEST THAT MINISTER OF FINANCE WITHDRAW HIS TAX PROJECT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Minister of Finance.

In the course of its work, the Liberal task force on housing met with builders, landlords, tenants, co-ops, unions, municipal authorities and bankers, all of whom vigorously condemned the new sales tax on housing.

Six months ago, the Minister promised the tax would not have a negative impact on rental prices.

Mr. Speaker, my question is—the Minister did not keep his promise and the consequences will be disastrous. Is the Minister willing to go back to the drawing board? Is he prepared to withdraw his tax? In other words, will the Minister keep his promise?

[English]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I made it very clear that rentals would not be taxed under this proposal.

Mr. Joe Fontana (London East): Mr. Speaker, a supplementary to the same minister. The reality of the situation, according to the Canadian Home Builders' Association and other experts, is that the cost of the average house in Canada will increase by \$3,000 due to the goods and services tax, even after the rebate. This represents an increase six times larger than the minister's own figures.

Will the minister finally admit that he has failed in his commitment to Canadians not to increase the cost of home ownership because of the ill-conceived, irresponsible and hurtful tax?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me make two points. First, when I made the commitment on housing in Saskatoon last year, I said that the impact of the goods and services tax would not adversely affect the