

Mr. Lawrence: The suggestion I have had is that the legislation has been put in a freeze in the Ontario legislature pending clarification of what the minister is apparently doing. I think it is a fairly simple question: Is government policy going to continue to permit the deductibility of such a tax at the provincial level or not? A simple yes or no will be sufficient.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): It is my understanding that the bill has been put in a freeze in the Ontario legislature until they find out whether or not it works.

Mr. Speaker: The hon. member for St. John's East.

Mr. Lawrence: Mr. Speaker, I have a supplementary question.

Mr. Speaker: Perhaps the hon. member for St. John's East, who has the next question, will allow me to recognize the hon. member for Northumberland-Durham on a supplementary.

Mr. Lawrence: I am sorry, sir, to have to do this again, but obviously the question of the workability of the provincial legislation depends entirely on the attitude of the minister, and he will not give it. I ask him again, and a simple yes or no will be sufficient: is this tax going to be deductible or not?

Mr. Speaker: Order, please. The hon. member is repeating the question he has already asked. The hon. member for St. John's East.

MONITORING OF CERTAIN BUDGET TAX CHANGES TO ENSURE THAT CONSUMERS ARE PROTECTED

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary question is for the Minister of Consumer and Corporate Affairs who has been charged with monitoring responsibility in regard to the budget of the Minister of Finance. May I ask him what steps he intends to take in carrying out this monitoring responsibility to ensure that the excise tax is not used as an excuse to raise profits on existing stocks? I ask this in view of the fact that the decrease in the sales tax on clothing and footwear will not be effective until existing stocks are exhausted, probably in the fall, if ever.

● (1420)

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, we carried out a successful monitoring program with respect to the excise tax and customs duty cuts in the last budget, and I hope to be announcing very shortly the details of the monitoring program with respect to the present measures. Obviously, as the hon. member suggests, it will have to be developed to take into account the very factors he has mentioned. I will be announcing the details later.

Mr. McGrath: Mr. Speaker, in view of the minister's outstanding failure to succeed in this regard with respect to the last budget, may I ask him what immediate steps he is taking to ensure that people are not taking advantage of

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the elimination of the excise tax on tobacco and certain other products as an excuse to make immediate windfall profits?

Mr. Gray: Mr. Speaker, I think that most people, perhaps with the exception of the hon. member and some of his colleagues, recognize the report on the monitoring of the cuts in the last budget as being a fair balanced and accurate statement of what actually took place and the actual benefit to the consumer. We are prepared to carry out the responsibility mentioned by the Minister of Finance in his statement last night to get the facts in order that the government can take any appropriate action that may be necessary.

THE BUDGET—GROWTH IN GROSS NATIONAL PRODUCT IN CURRENT DOLLAR TERMS USED IN ESTIMATING REVENUES

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is supplementary to the first question asked of the Minister of Finance. Can the minister give the House the figure for growth in the gross national product in firm dollar terms which was used in the determination of his estimate of revenues for the future year?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that is just another way of putting the same question.

Mr. Hellyer: Does the minister not feel he has a solemn obligation to parliament and to the Canadian people to tell them the growth rate on which his forecasts are based, and that it is rather contemptuous of the House and the Canadian people to try to hide exactly what he predicts to be the case for the coming year? Will he not now change his mind and come clean with the Canadian people and with parliament and tell us what the basis is?

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I came clean with the Canadian people last night.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Yesterday afternoon, in reply to a question from one of the hon. gentleman's colleagues, I said in the current state of the worldwide factors at play no one could accurately predict the rate of inflation in Canada or in any other country of the world.

Mr. Speaker: I will recognize the hon. member for Trinity for the sixth or seventh supplementary on this subject, after which I will see the hon. member for Yorkton-Melville.

Mr. Hellyer: Mr. Speaker, my question is simple. How can anyone estimate income revenues based on the gross national product if at the same time he is totally incapable of estimating the compound of the real growth and the inflationary growth which is going to take place? It is a fraudulent prediction.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think the hon. gentleman recognizes, by the preamble to his question, how many interacting assumptions there are.