

REQUEST FOR NEW MEASURES

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the document to which the Prime Minister did not refer, read by the Leader of the Opposition, was from the Department of Transport. It said that the Budget would increase inflationary pressures through sales and excise taxes, taxes on fuels and construction goods. Everyone in the country knows that this crushing tax burden is the wrong way to go. The Prime Minister knows it, the Minister of Transport knows it, and all their colleagues in the House know it.

Will the Prime Minister instruct the Minister of Finance, or his successor, to return to the drawing-board and bring forward an alternative scenario which will basically decrease inflation, increase consumer demand, and increase jobs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I realize that it is a little early in the day. My hon. friend says that this is the wrong way to go. The Right Hon. Leader of the Opposition says that he will cut the deficit by 50 per cent in a modest period of years. I realize that it is early in the day, but at some point in time Canadians will ask them what they have in mind. All they have had in mind so far is criticism and negativism. That is not selling, because what the country needs is prosperity and hope—and it is getting it from this Government—designed to create new jobs and new wealth. They are going to be asked what they stand for.

SALES TAX INQUIRY

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, since the Prime Minister has invited such a response, would he consider asking the Minister of Finance to look at the prospect of a sales tax cut, which the simulations of the Economic Council of Canada have shown effectively would decrease inflation, would increase demand, and would increase disposable income? In that manner he will get his deficit down. Would he consider that scenario?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if that scenario is valid, why didn't you argue that with Mr. Lalonde when he imposed sales tax increases? You were a member of the Government and you remained silent. That is the problem. They are impaled on their own contradictions.

EXTENSION OF CORPORATE TAX

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I should like to begin by extending the best wishes of my colleagues to the pages of the House of Commons who have performed their task very well for us. We wish them well in their future pursuits.

I am not sure whether their experience with us gave them any lessons in civility. I am not sure whether they learned anything about the real world, but maybe something about the real world of politics. We all wish them well.

Oral Questions

Some Hon. Members: Hear, hear!

● (1125)

Mr. Broadbent: Mr. Speaker, now back to the real world of politics. I would like to ask the Prime Minister a question, and maybe he will be a little more co-operative today than he was yesterday. It pertains to the change that the Minister of Finance announced yesterday extending the corporate tax for another six months.

My question is simply this. When one of my colleagues proposed such an extension about ten days ago, the Minister of Finance thought it would be ridiculous. Such an extension of corporate tax, he argued, would be a disincentive and he would not make the change because he said that that would lead to fewer jobs and not to more jobs. If this was the case ten days ago, why was it not the case yesterday?

[Translation]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it always help to sleep on it. The Minister of Finance has indicated, and I confirmed as much several times during the press conference this morning, that we are not here as emperors but as servants of the people. Our duties include the obligation to listen, and we listened to what the people had to say on an important issue. I do not think anyone can fault us for doing that.

[English]

OIL INDUSTRY TAXATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister said night brings wisdom. I thought the pensioners were just badgering him during the daylight hours. I hope during the summer at least he will get some sleep on that issue.

There is another aspect of the Budget that does cause us concern, and that is the 1 cent per litre increase in tax that the Government has announced which will be very negative for consumers, and very negative in terms of the competitive position of Canadian industry. Since he could have obtained almost exactly the same amount of revenue by imposing a windfall profits tax on the oil companies, on the profit that they would get for the old oil that had already been discovered, a windfall profit not being new in this country or in other countries, instead of going after the consumers to pay the additional revenue why did he not bring in a windfall profits tax on the oil industry to get the same amount of revenue?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one of the things we have been trying to do, and I think, with at least a modest degree of success, is to resurrect an industry in western Canada, namely, the oil and gas industry, that had been devastated and savaged by the Liberal Government. We are trying to resurrect that in the interest not only of western Canada but of all Canadians, because of a dollar spent in western Canada in investment, 50 cents approximately thereof find their way back to the rest of the country in terms of job creation.