

policies today to policies that create jobs, create economic growth, and will not drive this economy even deeper into recession?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the policies that we have been following as a government are designed precisely to avoid the type of recession that we had in 1981-82, with which my hon. friend is very familiar.

What we have indicated last year and this year was that we must avoid the increase in inflationary pressures that were clearly building in the economy and that were clearly going to lead us into a position where we would have major loss of competitive position, precisely what is happening in Great Britain today. In Great Britain today there is a 10.6 per cent inflation rate. Its inflation is much less under control. We are trying to avoid that problem so that we can get back on to a track of non-inflationary growth, at a very early time.

The Conference Board report clearly points out that in the second quarter of next year we will have growth at the annual rate of 3 per cent. That is what we are trying to achieve.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister, in his blind and arrogant way, is refusing to listen to organizations like the Conference Board and his own Economic Council. He keeps talking about inflation, and yet the Conference Board in its report says that not only will the GST, a key policy of this government, "have a significant impact on inflation", but that "the implementation of the GST at the beginning of next year will erode purchasing power at a time when the economy will be in recession and interest rates will still be high".

I ask the Prime Minister and the Minister of Finance: Will this government have the common sense and the decency to withdraw the GST right now, before it drives this economy even deeper into recession and does even more damage to Canadians and their families?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member accuses me of not listening. I would suggest that he listen also and not quote as selectively as he has the Economic Council report.

Oral Questions

What the Economic Council report does is say: support the policy that we have been following to get inflation under control. I suggest the hon. member read the report where he will see that.

What the Economic Council is saying is that it would like to see more action taken on getting the deficit down. If my hon. friend would be honest with Canadians himself, he would say that he has never proposed anything to get the deficit under control. That is a key element of what the Economic Council is proposing to Canadians, and we are listening to that.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I ask the Minister of Finance if he, the Prime Minister, and his government will be honest with Canadians and say the reason they are desperate to force through the GST is that they want to close down this House as soon as possible so they do not have to stay here and listen to the music about the recession they are causing.

• (1420)

They do not want to stay here and face the music from Canadians about the GST induced recession that they are bringing about.

[Translation]

Mr. Speaker, why doesn't the Prime Minister withdraw his disastrous GST today? Why does the Prime Minister want to do even more harm to Canadian families who have already been hard hit by a recession created by this government's policies?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will tell you one type of noise that I am getting kind of fed up hearing—

Some hon. members: Oh, oh.

Some hon. members: Resign.

Mr. Speaker: The hon. minister.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the music that I was referring to are the kazooos and the noisemakers in the Senate.

Some hon. members: Hear, hear.

Mr. Speaker: Perhaps the minister could complete his answer.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the hon. member suggests the reason why we are trying to push