

*Oral Questions*

If my hon. friend does not believe what I have to say, maybe he should speak to the Canadian Manufacturers' Association which since the middle fifties have been after successive governments to remove the existing sales tax and, most recently, bring in a tax like the GST for the very simple reason that it will improve the position of manufacturing companies in Canada.

**Mr. Steven W. Langdon (Essex—Windsor):** Perhaps, if the hon. minister does not believe me, he should talk to the dozens of firms across this country which are going to be hit hard as inward processors by this change in taxation. We are talking about thousands of auto parts and machinery jobs. The government has known about this problem since last May. Why has it refused to listen? Why did it introduce regulations on October 29 that make these manufacturing firms pay GST when he knows that this is going to damage these companies, their employees and their communities right across this country?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, this is a distortion of the impact of the goods and services tax on manufacturing companies. It is true that manufacturing companies do get credit for the direct manufactured sales tax that they pay on their cost of doing business, but it is also true that the manufacturing companies get no credit for the indirect federal sales tax that they are already paying today.

**Mr. Langdon:** You missed the point.

**Mr. Wilson (Etobicoke Centre):** He says I miss the point. With respect, Mr. Speaker, I believe that the hon. member misses the point.

• (1450)

*[Translation]*

**Mr. Guy Saint-Julien (Abitibi):** Mr. Speaker, my question is directed to the Minister of Finance. The mayors and other authorities of Makivik and Kativik, communities in the Nunavut region in Northern Quebec, are concerned about the implementation of the GST in Northern Quebec. Could the Minister of Finance inform the House today how the GST will affect the people of Nunavut in Northern Quebec?

*[English]*

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the GST will be replacing an existing sales tax which already causes costs and prices in northern parts of the country to be increased. There will be credits against the payments made on transportation, transportation costs that are inflated today by the federal sales tax on fuels such as gasoline and diesel fuels.

I should also say to the hon. member that the changes the government has brought forward in relation to the northern benefits allowance for people living in northern parts of the country is also a benefit to a number of people who previously did not receive that particular benefit.

**Mr. Jim Peterson (Willowdale):** Mr. Speaker, my question is directed to the same minister. Canadians from the Northwest Territories, Yukon, Labrador and northern Quebec are in Ottawa today because they do not agree with the minister's concept of what this tax will do to them.

In Canada's northern communities, the cost of living can be up to twice what it is in the rest of Canada.

Given that the GST for northerners is going to be piled on top of their much higher cost of living expenses, will the minister at least be honest enough to admit that the GST is one more discriminatory blow against northern Canadians?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I repeat some of the same points I made in answer to my colleague just this minute. There is tax that is already in the cost to people who live in the north. The cost of food as an example includes tax today. That tax will be removed as a result of the GST so my hon. friend is wrong when he only focuses on certain elements of the sales tax system in the country.

I would also tell my friend that because the GST will benefit resource industries, which are important employers in the northern parts of the country, it will improve the economy of northern parts of the country because of the benefits it will have for resource sectors.

**Mr. Jim Peterson (Willowdale):** Mr. Speaker, when is this minister going to realize that his responsibilities extend to all Canadians, not just his few remaining friends on Bay Street? When is he going to listen to these people who have come to us from the north and