

Oral Questions

• (1130)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I answered that question in response to one of the previous questions.

Let me just comment on some of the things. On job loss and economic growth our calculations, according to the Department of Finance study on this matter, show that in year one there will be an improvement in jobs in Canada and also in economic growth. Our calculations on inflation are roughly the same as in the Conference Board study.

We also disagree with the conclusions on the service sector. We attach a greater degree of importance to the removal of tax on business inputs for the service sector and believe that the service sector, as is indicated on page 16 of this brochure, *The Goods and Services Tax*, will have an increase in output greater than the national average increase in output. There is a difference.

As far as the question on this being a major tax hike, to use the Hon. Member's words, I indicated in a previous answer that the Conference Board simply does not have the information—

Mr. Simmons: Blenkarn does.

Mr. Wilson (Etobicoke): —that we have within the Department of Finance to come to that conclusion. At the end of this month when we release the technical paper, the Hon. Member will see that, yes, we are in fact correct.

Mr. Riis: Mr. Speaker, perhaps the Minister will offer to table those reports to which he has just referred.

NATIONAL SALES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a supplementary question for the Minister.

Does the Minister plan to keep the promise he made during the election campaign when he said that the national sales tax would not be used to raise additional revenues? While he is responding to that, could he also confirm that his office is in the process, at this moment, of assembling and staffing up a propaganda office with a multi-million dollar budget at the moment to convince people, using the big lie technique, that this is in their best interest?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, surely the Hon. Member would like us to put out documents—

Mr. Simmons: Don't leak them.

Mr. Wilson (Etobicoke): —like this one which set out clearly the assessment of the Department of Finance of the impact of this tax. It states how the tax works. It has the economic impact. It shows how the existing tax is a drag on the Canadian economy. The existing tax that was widely criticized by the Finance Committee, of which two of his colleagues were members in the last Parliament, is being replaced.

Furthermore, we are introducing a refundable sales tax credit which is more generous in this new tax and that should be widely regarded and widely praised by members of his Party.

Some Hon. Members: Hear, hear!

IMPACT ON BUSINESS INVESTMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, is there something wrong with the Minister's hearing? I have asked him whether he would indicate in this House if he plans to keep the promise to the people of Canada that he made during the election campaign. Second, I asked him to confirm that he is in the process of setting up a propaganda office to convince people that this imposition is good for them.

While he is responding, hopefully to those two questions, will he also indicate clearly that the removal of the 13.5 per cent manufacturers' tax as of January 1, 1991 means business investment in terms of new plants and new equipment will not take place between now and then; in a sense that the impact of this national sales tax will not begin in 1991 but in fact will begin to be felt this summer?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me respond to what I think are three questions. The answer to the first one is yes. I have said that we are going to bring in a new goods and services tax which will replace the existing sales tax and will have income tax offsets, including the refundable sales tax credit to which I have just referred. After that there will be no additional money for the Government of Canada. That answers question number one.

Question number two, yes, in fact, we are going to be releasing a technical paper and other forms of information for Canadians so that they can understand what the