

*Oral Questions*

● (1115)

**ORAL QUESTION PERIOD**

[English]

**THE BUDGET****NEW GASOLINE TAX**

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, may I have the indulgence of the House to echo what the Hon. Member for Saskatoon East stated in his opening remarks, and to add my words of congratulation and praise for the pages of the House of Commons who have studied here at our two universities, Carleton University and the University of Ottawa, during their tenure. I congratulate them on the very fine service they have given to Members on all sides of the House, and wish them well in their future careers.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** It might also be appropriate to wish Members and yourself, Sir, a good summer, some rest and relaxation and, in certain quarters of the House, perhaps some renewed wisdom after Members return to their constituencies. Let me also add those good wishes to members of the Press Gallery who participate so intimately in our deliberations.

[Translation]

In the absence of the Minister of Finance, my question is directed to the Prime Minister.

Why did the Minister of Finance introduce new taxes yesterday, especially the new tax on gas, thus adding to the most massive and underhanded tax increase in this country's history? Why did he introduce taxes that are going to cost Canadians far more than the Government needs to finance full indexation of Old Age Security benefits? Why this new sleight-of-hand?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, yesterday the Minister of Finance announced a surtax that will be levied on Canada's large corporations to help us finance our programs. He also announced a tax that will become effective on January 1, 1987, and we think it is a reasonable way to try and finance our social programs and, of course, reduce the deficit.

That being said, I would like to add my own words of praise to those expressed by my right hon. friend for the staff of the House. I want to thank them and wish them a very pleasant summer.

[English]

**EFFECT ON ECONOMY**

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, at his press conference this morning the Prime Minister admitted that the Budget in very serious respects had

violated what he called the rule of fairness, particularly as it related to our pensioners. Would the Prime Minister now agree that the Budget, using words well chosen, will have a restraining effect on the economy, that the net increase in personal tax burden will slow consumer spending, and there will be an increase in inflationary pressures as a result of the Budget? Would he agree with those words?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I indicated this morning, without any hesitation, that in our judgment, as brought to us by the Minister of Finance, that in one instance the Budget violated the notion of fairness, and that we could have done one of two things faced with that. We could either give Canadians a hearing or give them the finger. The Liberals always gave them the finger. We gave them a hearing. We listened to them and we acted, having heard Canadians.

**Some Hon. Members:** Hear, hear!

● (1120)

**CONFIDENTIAL DOCUMENT PREPARED BY TRANSPORT ASSISTANT DEPUTY MINISTER**

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, the Prime Minister just cannot resist resurrecting the past in a very unattractive way.

**Some Hon. Members:** Oh, oh!

**Mr. Turner (Vancouver Quadra):** If he wishes to contribute and to lead the civility in this House, I recommend that that is not the technique which will prompt the best response from all quarters in the House.

The damning analysis which I recited to the Prime Minister in my first supplementary question comes from a confidential document, prepared by the Assistant Deputy Minister of Transport, for the eyes of the Minister of Transport. That document goes on to say that "incentives for business" are "insufficiently strong", and that most provinces in Canada will suffer employment loss in 1986. If the Prime Minister will not believe me, will he believe the advice which his senior officials are giving to his Ministers?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, it is not through any lack of respect for my right hon. friend that I, from time to time, take views on the economy different from his. One of the reasons is, for example, on November 8 or 9 he was on his feet in the House of Commons predicting that there would be a loss of about 150,000 jobs. Since this Government came to office, 271,000 new jobs have been created. I know that it is my right hon. friend's job to preach doom and gloom, but he had better be careful; he is in the process of making a career of it.

**Mr. Turner (Vancouver Quadra):** We will see.