

*Oral Questions***VIA RAIL**

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Deputy Prime Minister who once was a staunch defender of rail passenger services.

Today at the First Ministers' Conference the premiers are raising with the Prime Minister their request, which parallels that of the mayors and that of the Standing Committee on Transport, for a moratorium on the cuts to VIA Rail until such time as the royal commission has had an opportunity to review rail passenger services and report, in order that the government, rather than the biased information it has been working with, has a clear and independent review.

Will this government finally listen to the will of the provinces and the Canadian people it represents and declare a moratorium on the VIA Rail cuts?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I will repeat what I said before. As he knows very well, the reason why VIA Rail has been rationalized in terms of the support we give financially is that we could not afford any more. We could not afford to put much more money into a system which basically people do not use.

I asked the mayors this week if they were ready to put forward the money necessary to keep the service. That question was asked of the mayors at the committee, at which my friend was present, and unanimously the mayors said "No".

If we do not have the money we have to cut services. The reason we do not accept any moratorium is that we have to apply the decision by January 15, 1990.

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PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to members' attention the presence in the gallery of His Excellency Mikolaj Koka-kiewicz, the Speaker of the Polish Sejm.

Some Hon. Members: Hear, hear!

PROPOSED GOODS AND SERVICES TAX

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is directed to the Deputy Prime Minister. The report released last evening by the provincial governments indicated that more than 400,000 jobs would be lost as a result of this goods and services tax. Put that together with the Minister of Finance's budget speech on April 27 when he said that next year unemployment would increase to 8.5 per cent. Then we have the report of the Bank of Montreal which says that next year unemployment will increase to 9 per cent. As well we have a recent report of the Conference Board of Canada which says we are on the brink of a recession.

In these circumstances, why is the government proceeding with this goods and services tax which is going to hurt so many Canadians? Why is the government putting its right wing Tory agenda ahead of jobs for Canadians?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, for the very simple reason that the agenda we have had has worked very well. It has produced the best job-creation rate of the industrialized world, the best growth rate, the best increase in productivity and the best climate for investment. A million and a half new jobs have been created since this government assumed office. The unemployment rate has been brought down from 11.7 per cent to 7.3 per cent and it is declining. We have just gone through a period that has been reported as one of the strongest periods of growth in the last six months.

What is the hon. member complaining about? Is he complaining about the fact that jobs are being created and there is growth in the economy? If that is what he is complaining about then he is on the wrong side of the issue.

Mr. Allmand: Mr. Speaker, unemployed Canadians will not be happy with that answer. Canadians no longer believe this government when it talks about the jobs it has created and the economy it is managing, and that is evident from the poll released this morning which indicates that 69 per cent of Canadians do not believe that this government is doing the job that it should do.