

Oral Questions

Mr. Peterson: The top management people, the chief financial officer.

Mr. Hockin: Ninety-nine per cent of the operations is the operating company.

In the sale of Bioresearch and its share in Nordic Laboratories Mérieux is committed to giving preference to any competitive bid by a Canadian purchaser. As I have said before, the main business of Connaught Laboratories, which develops, produces and markets vaccines, will continue to be operated and managed out of Willowdale.

* * *

GOODS AND SERVICES TAX

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Finance or to the acting minister. The minister stated in the GST technical paper and I quote:

—an inflationary response to the sales tax reform would damage the prospect for sustained economic growth.

Does the minister not accept that workers in Canada must protect themselves against the effects of the GST? Why should the workers bear the brunt of the effects of this unfair tax?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, most responsible economists in the country have said that the inflationary impact of the GST will be minimum, around 1.25 per cent to 1.5 per cent. In fact what the government and the Minister of Finance have been saying is that it is not necessary to have large pay increases blamed on the GST and the inflation that will follow. It is a very small amount of inflation and will be only a one-time blip in the inflationary factor. The workers are concerned about something that they should not be concerned about. In fact there is not going to be a large inflationary increase because of the GST.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, the new contract settlement for members of the Canadian Auto Workers at Pratt and Whitney provides, and I quote, "an unlimited cost of living allowance to protect themselves from the price effects of the GST". They have every right to seek this protection.

The inflation rate of 1.23 per cent that the minister promised does not take into account the inflationary effect of wage pressures generated by fear of the GST.

What does the minister plan to do? Revise the inflation figures, deny workers the right to protect themselves, or scrap this tax?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, no, we would not deny the rights of workers to collective bargaining and whatever they can bargain with their unions and with their employers. That is entirely up to them and that is the system that they work under in the country. The latter option of scrapping the tax is not an option as far as this government is concerned.

An hon. member: Why not, John?

Mr. McDermid: The Liberals want to tear up the free trade agreement and scrap the tax. They want to go back to the old, old ways which do not work. We are not prepared to do that.

* * *

SOLICITOR GENERAL

Mr. John Brewin (Victoria): Mr. Speaker, last week at the Kingston Penitentiary, a 40 year old man named Gordon Taylor died. The Ontario Provincial Police is presently investigating very serious allegations that the death was murder by a group of guards at the pen.

I met yesterday in Kingston with a number of witnesses and had discussions with senior officials who, I may add, gave every co-operation to me and to my associates.

There is very substantial evidence supporting the allegations. My question to the minister is this. The Correction Service of Canada has ordered an inquiry. Will the minister outline to the House the terms of reference of the inquiry? Will he indicate whether he has given any special instructions to the board of inquiry and, if so, what those instructions would be?

Hon. Pierre H. Cadieux (Solicitor General of Canada): Mr. Speaker, with respect to the terms of reference, they are the terms of reference of the commissioner, of course, in these circumstances. I am prepared to tell the House what those terms of reference are, but it might take a few minutes. If my hon. colleague would be satisfied with my sending him a copy of the terms of