

Oral Questions

Prime Minister said that they would “ensure innovative and generous adjustment and retraining programs will be introduced whenever and wherever required, with the chief priority being the well-being” of individual Canadian worker and their families.

I ask the Prime Minister: Where are those adjustment programs? What are you prepared to do for the working people in Canada today who are being laid off at an unprecedented rate?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, provision for many of those adjustment programs has been paralyzed by the Liberals in the Senate. My hon. friend should be encouraging the Liberals to get the bill out of the Senate and back into the hands of the working people of Canada.

Some hon. members: Oh, oh.

Mr. Mulroney: Mr. Speaker, the economy from 1983 to 1989 grew at an average annual rate of 4.25 per cent. There have been 1,600,000 new jobs created since September 1984.

Mr. Allmand: Nobody believes you, Brian.

Mr. Mulroney: Over 80 per cent of them are full time. As the Minister of Finance predicted in his budget, in an attempt to squeeze inflation out of the economy there has been a slowing down in the economy, obviously. While we regret that, the most insidious ill of all in an economy is inflation, because inflation robs those on fixed incomes and it hurts the poor, the sick, and the elderly most of all.

We have chosen the hard way of dealing with inflation now to have a sounder economy later.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is for the Prime Minister.

The people who are experiencing the hard way are the poor people of this country. The one in six children who live in poverty, the 40 per cent of food bank users, are the ones who are experiencing the hard way in Canada.

The Prime Minister knows that he could introduce an amendment to the variable entrance requirement for unemployment insurance. He could do that now to ensure that those workers could receive benefits.

• (1430)

[*Translation*]

Mr. Speaker, this government does not seem to understand that the GST will aggravate the recession. People across the country know this. A consulting firm, Informetrica, estimates that as far as the airline industry is concerned, the GST will cause 4,000 jobs to be lost between now and 1991 and 7,000 by 1993. Will the Prime Minister finally make a decision and withdraw the GST now?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the leader of the NDP began her question by referring to children in poverty.

It is one of the blights on any industrialized society. One child in poverty is one child too many. However, in excess of 250,000 children have been removed from the poverty line since this government came to office.

We plan to maintain those policies so as to reduce even further the number of children in poverty in Canada.

[*Translation*]

My hon. friend's question was about the GST. She suggested that the GST will have an impact on inflation. That is quite true. The Minister of Finance said so when the GST was first discussed. There will a definite impact, but it will not last, as confirmed by the Conference Board in its report. This impact will last for one fiscal year, and it will a negative impact on the inflation rate. I agree.

However, for the past 50 years, a number of task forces and various royal commissions of inquiry have been asking the Parliament of Canada to get rid of the existing tax on manufactured products and introduce a GST, in order to streamline Canada's economy so that this country can create more jobs and be more competitive on international markets. Despite the problems, the GST will modernize our economy, and that is exactly what we intend to do.

[*English*]

Ms. Audrey McLaughlin (Yukon): On a supplementary, Mr. Speaker, I would like to quote Gordon Sinclair, the President of Air Transportation Association of Canada who said in October 1989: “The proposed tax treat-