

Oral Questions

heard with respect to government activity. With respect, we differ with the conclusions drawn by the B.C. Court of Appeal.

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GOODS AND SERVICES TAX

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is for the Minister of State for Finance.

He will undoubtedly know that Air Canada employees have now joined thousands of other unionized workers across this country in protecting themselves against the goods and services tax.

Further, people are aware that the projections of the Minister of Finance that Canadian workers would lay down and not fight back against this attack on their disposable income has not worked.

Does the government now recognize that this government-fuelled inflation is going to continue to create havoc in the economy, with Governor Crow pursuing his high interest policies? Does it now recognize that that demand for wage and price moderation is not going to hold and that the goods and services tax should be withdrawn?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the short answer is no.

The tentative agreement that was signed by Air Canada and its employees was nothing more than a COLA clause. COLA clauses have been negotiated for a number of years. There is nothing new in this.

Bob White is putting a new name on COLA clauses. He should be given an E for effort in public relations, but it is nothing new.

We still believe, and we have been backed up by three independent organizations, that the inflationary impact of the GST will be somewhere in the 1 per cent to 1.25 per cent range, a one-time increase in the cost of living. That has been admitted from the beginning by the government. It is nothing new.

No, we are not withdrawing it. We are proceeding with the goods and services tax because it means more jobs and more productivity for this country. It is important for Canada.

Mr. Douglas Young (Gloucester): Mr. Speaker, I have a supplementary question for the minister just for clarification because I think he has made a very important point. I want to make sure that Canadian workers understand exactly what the minister is saying.

Is the minister saying that the government understands that Canadian workers will have to go out and pursue these kinds of adjustments in their wage settlements to make sure that they can protect themselves against the inflationary impact of the goods and goods and services tax? Is that what the government is recommending?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the government is recommending to all union and non-union employees to moderate their wage demands because increased wage demands are one of the factors forcing inflation up. That has been repeated many times in the House not only by the Minister of Finance and by myself but it has been repeated outside by many economists. The latest remarks were in the paper the other day. Economists stated that, yes, high wage demands do cause inflationary pressures, and that if we are going to wring inflation out of the economy we have to moderate our wage demands. This will ensure that we can wring that inflation out and get interest rates down on a permanent basis. That is the goal.

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REGIONAL DEVELOPMENT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is directed to whoever is responding for the Minister of Employment and Immigration.

In January of this year the Minister of Employment and Immigration announced that two areas in my constituency had been designated Community Futures zones. Five months have passed since this announcement and the decision with respect to who will sit on the Community Futures committee has not been made.

Until these committees are established, the program cannot go forward. This has been happening across Atlantic Canada with other Community Futures committees in hard hit areas of Atlantic Canada.