

Oral Questions

through the GST. If he would look back to what the Senate has said itself, it believes that it is important that we move to the GST because the existing sales tax is not working. Senator Buckwold, Senator MacEachen—

Mr. Lewis: Mr. Speaker, there is a stranger in the House behind that curtain.

An hon. member: Who is that?

Some hon. members: Chrétien.

Some hon. members: Oh, oh.

Some hon. members: He snuck out. There he is.

Some hon. members: Hear, hear.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, a Senate committee that included Messrs Buckwold, Kirby and MacEachen said: "We recommend that as soon as is practicable, the government introduce legislation to implement a broad based multi-stage sales tax"; in other words a GST to replace the existing federal sales tax system.

This demonstrates very clearly the cynical and cheap politics that the Liberals are following by blocking this GST when they know they have no alternative to it and they know it is a thing that this country needs.

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AIRLINE INDUSTRY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Transport.

Following the Tory policy of privatization and deregulation we have seen two major airlines gobbling up 14 regional ones. Air fares have risen faster than the cost of inflation. Jet service has been reduced in the regions. Hundreds of thousands of Canadians who invested in Air Canada shares have lost money, and now we have close to 3,000 people out of work in Air Canada.

How can the government continue with policies that have only served to destabilize our airline industry in Canada? What measures does the minister propose to stop its further decline.

Hon. Doug Lewis (Minister of Transport): On the contrary, Mr. Speaker, there has been no decline in air service in Canada.

Some hon. members: Oh, oh.

An hon. member: It is an improvement.

Mr. Lewis: In fact, deregulation and the hub and spoke concept have greatly increased opportunities for Canadians to travel.

I note that Air Canada welcomes the government's policies of open skies. It says that the prospects of an open regime which will allow carriers from each country to operate services between any point in one country and any point in the other, as well as between points within the country, is very encouraging.

Mr. Sergio Marchi (York West): Mr. Speaker, it is time this minister wakes up and recognizes the turbulence that our airline industry is in today and how he can begin to sacrifice an already fragile industry into head-to-head negotiations with the United States.

[Translation]

My supplementary is directed to the same minister. Considering the devastating impact of the government's policies on our airlines, with the thousands of lay-offs that took place recently, how can the government possibly sacrifice an already weakened industry by starting bilateral negotiations with the United States, which might well deal a fatal blow to Canada's airline industry? Why?

[English]

Hon. Doug Lewis (Minister of Transport): Mr. Speaker, I refer to the same gentleman, Mr. Claude Taylor, the President of Air Canada. When commenting on the open skies concept that we are entering into with the United States, he said: "Air Canada fully supports a gradual phasing in process including transitional mechanisms to ensure an orderly integration of airline services to the public".

Mr. Marchi: What about the safeguards?

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THE ECONOMY

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Prime Minister. Yesterday we had the Air Canada announcement of the largest airline lay-offs in history, with some 2,900 working families being affected. These job losses are added to the 150,000 jobs lost in the manufacturing sector.

Today we heard from people in the fishing industry, 3,000 of whom will not be eligible for benefits because of this government's policy. The Conference Board of Canada is saying today that unemployment will increase mid-next year up to 9 per cent. In November 1988 the