

average, by about 4 per cent than is the case today. Surely the hon. member can understand that it will improve the capacity of the economy to bring those in. That, Mr. Speaker, is why we say that the goods and services tax will not be harmful to the regions of this country.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I would suggest the minister, as well as going to the Atlantic regions and the north, should also go to the prairie provinces. Agriculture Canada projects that Canadian farm incomes will drop by 40 per cent this year. High interest rates as well as the proposed goods and services tax is only increasing the burden.

There are an increasing number of farm foreclosures, and the minister knows this. But the government insists on proceeding with this new tax which will drive up prices to consumers and drive down prices to farmers.

Will the minister now recognize that he cannot reduce the deficit by throwing farmers further into debt? Do farmers have to turn themselves into corporations before they can be heard by this government?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as my colleague says, the Leader of the New Democratic Party does not know what she is talking about. I will make the same offer to her, namely, would she like a briefing on the goods and services tax so she will understand the things that she has just stated now are simply not true.

The tax on inputs to farmers will be totally removed. There are taxes on inputs today. Therefore, the farmers will be better off from that standpoint.

The cost of food to all Canadians, because there will be a removal of all the input taxes on packaging, on transportation, on fuels, and so on will be reduced and the costs for those people who are producing food will be reduced. Again, that is something helpful to the farmers.

Those farmers who export today are carrying an indirect tax, a hidden tax on the exports that they make. The goods and services tax will remove that tax on the export sales that they make, so that again, in the third way, the tax will be beneficial to those farmers who are exporting. Surely, if the hon. member would take the time and be honest with herself, she would understand

that she is spreading mistruths about the goods and services tax.

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[Translation]

Oral Questions

LAY-OFFS

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is directed to the Minister of Labour. The Minister must be aware of the fact that General Electric will close its light bulb plant in East Montreal on July 13. I would like to know what action the Minister has taken or intends to take, to persuade the company to reverse a decision that will do away with about 200 jobs, mostly held by women with over 20 years of seniority, who have little or no hope of retraining for new jobs.

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I don't think the Department of Labour has been officially advised of this plant closing but, as soon as we are, we will ensure there has been compliance with the regulations under the Canada Labour Code. We will also ensure that those responsible for the plant closing take steps to apply under POWA, a program for older workers.

As far as relocating these people to other jobs is concerned, I can inform the hon. member that for the past year, we and our colleagues at the municipal and federal level have been working with a very active organization in East Montreal, the *Association Pro-Est*, whose activities include ensuring that workers who have been displaced can find work in another plant.

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I am very disappointed in the Minister's reply, because what is needed is not an attempt to provide compensatory programs or unemployment insurance for these workers who are going to lose their jobs. We need action by the Minister himself, who is supposed to be responsible for the economic sector in Montreal. These workers want to keep their jobs. They want to stay at the plant. Is the Minister prepared to approach the company and persuade it to keep its plant open in Montreal? That is the kind of action we would like to see by the Minister. I am sure he is aware, and I will ask him outright, does he know that most of these jobs will be transferred to the United States? Is he prepared to let Canadian jobs be transferred to the United States and let American