

Oral Questions

My question to the Prime Minister is this: When will he and his government announce economic policies that will stop this steady stream of unemployed workers that is engulfing Montreal? Montreal has become the unemployment capital of Canada. When is he going to do something about it?

Hon. Jean Corbeil (Minister of Labour and Minister of State (Transport)): Mr. Speaker, speaking on behalf of the Minister of Industry, Science and Technology, I welcome this opportunity to answer the question put by the hon. member for Saint-Léonard. As far as General Motors is concerned, the hon. member claims that 1,800 employees were fired, while the truth is that General Motors management announced they were considering temporary lay-offs to prepare for the new Firebird production line, which takes quite some time. Mr. Speaker, the hon. member for Saint-Léonard is probably aware that our government, together with the Government of Quebec, was responsible for bringing General Motors to this location by providing a \$220 million interest-free loan, and that employees affected by these lay-offs will be 95 per cent protected as far as their salaries are concerned.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, there we have the results of the government's economic policies. After investing over \$200 million, we now have 1,800 employees laid off for a year. So much for the government's policies! When will you introduce policies that will put Montrealers, Quebecers and Canadians back to work?

Hon. Jean Corbeil (Minister of Labour and Minister of State (Transport)): Mr. Speaker, speaking on behalf of the Minister of Industry, Science and Technology, I may again remind the hon. member for Saint-Léonard that he is hardly in a position to criticize the government, since the party to which he belongs was responsible for record job losses in the Montreal area from 1980 to 1984. When they fortunately were defeated in 1984, Montreal Island had been laid waste by a government that did absolutely nothing for Montreal Island during all the time they were in power.

[English]

GOODS AND SERVICES TAX

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, my question is for the Prime Minister, in the absence of the Minister of Finance.

One of the principal justifications for the GST was that in replacing the manufacturers' sales tax it would promote Canadian exports. Yet, today Statistics Canada announced that in January imports rose by more than \$500 million while exports declined by more than \$300 million.

If the GST was intended to help our exporters, why has Statistics Canada concluded that "the net effect of the tax change was to generate an upsurge in imports, not exports"?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman who just asked the question is one of the most intelligent members of the opposition, so it throws me into despair that he would ask such a question when he knows that we cannot go by the immediate short-term one-month results. Everybody has to look at a period of at least five or six months to see what the trends are.

At the end of this year, believe me, the GST will have more than proven itself with the improvement we will have in our exports during the year. However we simply cannot go by one month only, and he knows that.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the minister might prefer to read the comments of Statistics Canada if he does not want to worry so much about what I say. The fact remains that the success of the recent budget will depend in large part on export led growth. Yet, recent trade figures suggest that the very opposite is happening. This is a direct result of this government's failure to close the major gap between Canadian and U.S. interest rates and to lower the value of the Canadian dollar.

How can the Minister of Finance expect export led growth when he persists in maintaining interest rates that do little or nothing to close the gap between Canadian and U.S. interest rates?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, apparently the outside world looks very favourably upon Canada and wishes to invest in Canada. We can hardly blame our Minister of Finance and the government because we have done such a good job that more people want to invest in Canada than want to deinvest in Canada.