

*Oral Questions*

who, indirectly, are involved in that great cultural industry. In a government policy statement—

**Mr. Speaker:** Does the Hon. Member have—

**Mr. Prud'homme:** A supplementary, Mr. Speaker.

**Mr. Speaker:** I presume the Hon. Member wants to ask a question.

**Mr. Prud'homme:** A supplementary. Can the Prime Minister reconcile that with this very clear statement of the Progressive Conservative Party:

[*English*]

"We are committed without question to the arms-length principle and regard peer review as the most equitable and consistent mechanism for federal funding to support individual . . ." et cetera.

[*Translation*]

How can one reconcile that new tenet of the new Minister of Communications with all the statements made by the present Minister of Indian Affairs and Northern Development?

**Mr. Mulroney:** Mr. Speaker, I would suggest that you might take it easy with the Hon. Member, he is learning. He is new at this game. I say that with much respect for my colleague who has put his finger on a vital issue. I am pleased to be able to confirm that the position of the federal government in respect of, for example, the CBC and other groups, will be to stay at arm's length at all times.

**Mr. Prud'homme:** One last supplementary, Mr. Speaker.

**Mr. Speaker:** No. The Hon. Member for Swift Current-Maple Creek (Mr. Wilson).

\* \* \*

[*English*]

**FINANCE****FUEL SALES TAX REBATE—POSITION OF BULK FUEL DEALERS**

**Mr. Geoff Wilson (Swift Current-Maple Creek):** Mr. Speaker, in the absence of the Minister of Finance I wish to direct my question to the Minister of State for Finance. It concerns the fuel sales tax rebate to primary producers.

There is potentially a very serious problem in the procedure for handling the rebate. Due to the varying degrees of integration, some bulk fuel dealers have tax-free inventory while others have tax paid inventory. Since those with the tax-free inventory can grant the rebate at the time of sale, the 22-cent per gallon rebate, others must collect it. Is the Minister aware of this problem which can devastate bulk fuel dealers across Canada? Is something being done to remedy the situation?

**Hon. Barbara McDougall (Minister of State (Finance)):** Mr. Speaker, I am delighted to have a question from across the aisle, if not from across the House. I was beginning to

think that I should turn my desk around to a more appropriate position.

In answer to the Hon. Member, it is a problem about which we are aware and our Department is studying it very closely. As he knows, this tax relief measure was introduced for farmers, fishermen, miners, and loggers. We are very anxious that it work on their behalf as a relief measure. We are looking at the best way to implement this. I will take the Hon. Member's question as notice and will give him a precise answer.

\* \* \*

**INDUSTRY****GREAT LAKES FOREST PRODUCTS LTD.—PROPOSED UNITED STATES NEWSPRINT MILL**

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. This morning's *Globe and Mail* announced that Great Lakes Forest Products Ltd. of Thunder Bay and Dryden will be entering into a partnership with five U.S. newspaper publishers to establish a newsprint mill in Washington State. The Minister will also be aware that this corporation has received upwards of \$50 million in provincial and federal moneys over the last few years.

Does the Minister agree that we should not be funding Canadian corporations which are investing outside the country in direct competition with our own industries and workers? Will he move to recover the funds that have been given to this corporation?

**Hon. Sinclair Stevens (Minister of Regional Industrial Expansion):** Mr. Speaker, I would remind the Hon. Member that that company has invested \$416 million in the modernization and upgrading of plants in Dryden and Thunder Bay. I believe the Hon. Member should surely agree that, in a very international world as far as the forestry industry is concerned, it would not behoove the Government to ask companies such as the one to which he refers to restrict their activities if they believe they will become more viable as a result of the type of investment to which the Hon. Member has referred.

**COLLECTION OF DEFERRED TAXES**

**Mr. Iain Angus (Thunder Bay-Atikokan):** Mr. Speaker, my supplementary question is directed to the Minister of National Revenue. Given the response by the Minister of Regional Industrial Development and the lack of willingness to bring back the tax dollars, would the Minister of National Revenue agree that the \$116 million of deferred taxes owed by Great Lakes Forest Products to the Government should be brought into the public purse as soon as possible?

**Hon. Perrin Beatty (Minister of National Revenue):** Mr. Speaker, as the Hon. Member knows, the provisions of the Income Tax Act preclude my discussing the case of any