

Oral Questions

Let me just quote two figures. Since January 1989 merchandise exports are up 12.3 per cent. Since the implementation of the FTA merchandise imports from the United States are up 6.2 per cent.

Who has been the winner? Canada has been the winner.

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TOBACCO

Mr. Jim Karpoff (Surrey North): Madam Speaker, I have a question for the Minister of National Revenue.

A study released today in the British medical journal, *The Lancet*, shows that 250 million of the world's population will die from tobacco smoke. In Canada this will be 48,000 persons a year, our largest single cause of death by far.

Yet since April, when the government caved in to the tobacco manufacturers and removed the export tax on cigarettes, cigarette exports are up 37 per cent and cigarette tobacco exports are up 450 per cent according to Statistics Canada.

Since fully 80 per cent of these exports are smuggled back into Canada, how can the government still claim that its new cigarette smuggling policy is more effective than the export tax it replaced?

Hon. Otto Jelinek (Minister of National Revenue): Madam Speaker, the government continues to be committed to the national strategy for reduced tobacco use. We in this government do not need to take a lesson from anybody, least of all from the hon. member, to reduce tobacco product smoking in this country, particularly for young people.

Mr. Karpoff: You caved in.

Mr. Jelinek: Our policy continues to be anti-smoking. We will continue to do everything and lead the world in that regard.

As far as the specific question is concerned, the hon. member says we caved in to the tobacco manufacturers. He knows full well that it was the other way around, that we have been trying for years to get the tobacco manufacturers to the table to give us the things that would allow our law enforcement officers to track exported tobacco products so that we could ascertain who the smugglers are, get to the root of the problem,

and make sure that we will reduce smuggling and therefore reduce smoking of tobacco products in this country.

He is right that 80 per cent of cigarettes exported are smuggled back into Canada. That is why we have taken these positive steps with tobacco manufacturers. The co-operation is going to lead toward the reduction of tobacco-smuggled products into Canada.

• (1150)

Mr. Jim Karpoff (Surrey North): Madam Speaker, my supplementary question is for the same minister.

The minister knows that these dramatic increases in cigarette smuggling undermine Canadian small business, cost the federal and provincial government substantial revenues, and threaten the Canadian anti-smoking effort.

In light of the extensive investigation by *The Toronto Globe and Mail* which appeared today, why does the minister still claim, as he did in April, that this government did not cave in to the tobacco lobbyists? Why do friends of the Prime Minister, such as Bill Neville, have such a negative influence on Canadian health policy?

Hon. Otto Jelinek (Minister of National Revenue): Madam Speaker, the hon. member just cannot get it through his thick head that the agreement—

Some hon. members: Oh, oh.

Madam Deputy Speaker: I am sure everyone would appreciate it if the hon. minister would find another way of expressing himself.

Mr. Jelinek: The hon. member just cannot seem to understand that the agreement we have reached with the tobacco manufacturers, in conjunction with the RCMP and other law enforcement organizations, is going to go a long way toward the elimination or reduction of smuggling tobacco products into Canada.

This is not a smoking issue. It is not even a health issue at this time. We are committed to reduced tobacco smoking in this country. What we have to do is put a major dent in the amount of tobacco that is smuggled back into Canada.

What we agreed with the tobacco manufacturers will allow law enforcement officers, agencies and Revenue Canada to do exactly that for the benefit of all Canadians.