

Further, in order to clear the air of these allegations, I should also appreciate an early response from the Leader of the Government to the following questions: Was Mr. Chrétien, or any member of his law firm, retained by any person representing the Matthews Group Ltd., in relation to the privatization of Pearson airport? If so, at what dates was his firm acting in these matters?

During the 1993 election campaign, did Mr. Chrétien call for the termination of the Pearson airport agreements?

Did Mr. Chrétien absent himself from cabinet discussions relating to the privatization of Pearson airport?

Did Mr. Chrétien vote on Bill C-22 at any stage in the House?

Hon. Joyce Fairbairn (Leader of the Government): Honourable senators, I thank Senator Ghitter for his questions. He knows that the Prime Minister is out of the country at the moment and will be for the remainder of this week. I will transmit your questions to the appropriate source and obtain answers to them as quickly as I can.

Hon. Orville H. Phillips: Honourable senators, I have a supplementary, if I may. Were Mr. Chrétien's legal fees to the consortium among those costs that were allowed by the government, or did the government consider them to be worthless?

Senator Fairbairn: I will certainly take note of my friend's question and transmit it, too.

REVENUE CANADA

AMOUNT OF EXPORT TAX PAID BY TOBACCO MANUFACTURERS—
NET LOSSES TO FEDERAL TREASURY—GOVERNMENT POSITION

Hon. Mira Spivak: Honourable senators, when the government announced its plan to curb the smuggling of tobacco products, one portion of that strategy was the immediate imposition of an \$8 per carton export tax on Canadian tobacco products.

I am led to believe that, eight months after the announcement of that strategy, spokesmen for the major tobacco manufacturers have admitted that they have not paid a cent in export taxes. They have paid nothing, because Bill C-32 gave them three ways to avoid doing so: They do not need to pay \$8 per carton for cigarettes destined to duty-free shops; they do not need to pay if the volume exported is below 3 per cent of total production; they can claim reimbursement simply by paying tobacco taxes levied in the country to which they export their products. In the United States, the tax is not \$8 a carton but \$2.40 a carton. Of course, no manufacturer would choose to pay the higher amount.

As we are approaching the ten-month point in the government's plan, has there been any export tax paid by the tobacco manufacturers? If so, what is the total of that tax? What is the current estimate of net losses to the federal treasury this fiscal year and next as a result of the three tax initiatives?

[Senator Ghitter]

Hon. Joyce Fairbairn (Leader of the Government): Senator Spivak, I have taken note of your questions, and I will pass them on and obtain an answer for you.

ORDERS OF THE DAY

SPLIT LAKE CREE FIRST NATION FLOODED LAND BILL

THIRD READING

Hon. Sharon Carstairs moved the third reading of Bill C-36, respecting the Split Lake Cree First Nation and the settlement of matters arising from an agreement relating to the flooding of land.

Motion agreed to and bill read third time and passed.

WORLD TRADE ORGANIZATION AGREEMENT IMPLEMENTATION BILL

SECOND READING—DEBATE ADJOURNED

Hon. Jack Austin moved the second reading of Bill C-57, to implement the Agreement Establishing the World Trade Organization.

He said: Honourable senators, the legislation now before us represents one of the most significant steps for Canada in its role in world trade, as well as one of the weightiest. As to the latter category, the Final Act, as the agreement which was achieved on April 15 in Marrakesh is called, with its schedules and attachments, amounts to over 22,000 pages and could only be lifted in one fell swoop by Superman. The Final Act has been in the making ever since the conclusion of the Tokyo Round of trade rule adjustments, which took effect in 1979.

In 1982, Senator Allan MacEachen, in his role of Secretary of State for External Affairs, presided over a ministerial meeting designed to examine how to proceed with a new round of trade liberalization. We also have in the Senate two colleagues who served as international trade ministers: Senator James Kelleher and Senator Pat Carney. They were active participants in the process that, after 12 years of negotiation, has delivered up a successful conclusion of what has become known as the Uruguay Round, named after the successful 1986 meeting in Punta del Este, Uruguay, which decided to proceed with the new GATT trade development negotiations.

There are many ways to understand the Final Act and its global impact. It represents the largest tax cut ever, because it will cut global tariffs which are, in substance, taxes. It should improve world living standards by making goods and services cheaper for the consumer. In geopolitical terms, it may help to ward off the battle between the North and the South, the developed countries and the developing countries, by giving market access to newly emerging economies whose sole advantage is often their cost of labour to manufacture low-technology goods.