Oral Questions

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, the answer was as unacceptable last Wednesday as it is unacceptable today.

In fact the changes in the interpretations go counter to the suggestions of the Minister of Finance and the justice department. Those changes resulted in windfalls to manufacturers that averaged some $154 million per year over the last five years. By proceeding with those changes through an internal memo distributed to a privileged few, the Minister of National Revenue has diverted some $770 million in taxpayers' dollars to manufacturers in 1985–86.

What guarantees can the minister give the House that taxpayers' refunds under GST will not end up in the same pockets as happened under the former system?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, it is very obvious that the hon. member has not done his homework, either on the federal manufacturers' sales tax which had to be scrapped and which is long overdue for scrapping or on the GST which it replaced.

I can stand here and assure the hon. member and this House that the provisions of the bill which brought in the goods and services tax in replacement of the antiquated, unfair federal manufacturers' sales tax will not allow for those provisions to which the member referred that were part of the federal manufacturers' sales tax.

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[*Translation*]

AGRICULTURE

Mr. Jean–Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of State for Agriculture. A special binational panel to settle disputes, created under the Canada–U.S. Free Trade Agreement, has just examined the case of countervailing duties levied by the United States on Canadian exports of fresh, refrigerated frozen pork and the subsidy aspect.

Could the minister inform the House whether the U.S. International Trade Commission could reverse its decision of February 12 and reconsider its conclusions that imports of Canadian pork constituted a threat to U.S. industry?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, the question raised by the hon. member is a vital one for pork exporters. In recent years, Canada has consistently defended the Canadian position. When we managed to include in the free trade agreement a specific clause that gave both Americans and Canadians access to a binational panel to settle disputes between our two countries, it was a golden opportunity to help and do justice to our producers. I hope that the ruling favourable to Canada and Canadian producers who, it should be said, have an excellent product, will be upheld.

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[*English*]

FORESTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, one of the major trade irritants between Canada and the United States is the softwood lumber tariff memorandum of understanding.

Thousands of forestry jobs in British Columbia and Northern Ontario have been lost as a result of this deal. Canadian sovereignty has been seriously eroded because this government has turned over forest policy making to the United States.

My question is for the Prime Minister, and I hope he will answer it to show his concern for forestry workers across Canada. Has the Prime Minister responded to Premier Rae's letter to form a broad coalition to fight the MOU? Will he raise this matter with President Bush when he visits Canada tomorrow?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, anyone who keeps up with current affairs or reads the papers will know that I saw Premier Rae within the last two weeks to discuss this very matter with him. Premier Rae and I are heart to heart. Even though he destroyed my budget, I am still heart to heart with him on the question of the memorandum of understanding.

We are in the process of discussing this with the provinces. I have yet to speak with some of the people from the Atlantic provinces who have a different view on this matter, but when that process is finished I will be consulting the government and taking appropriate action.