

Oral Questions

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I find it difficult. I suppose the answer to that is no. The Hon. Member mentions that Senator Packwood is a member of the Senate. Indeed he is. He is also a representative of a state with major timber interests.

I have just gone down there and said that we will not accept their version of events and will not sacrifice Canadian lumber or timber interests in this regard. I have made that very clear to everyone from President Reagan down, which may explain some of the Senator's hesitations. But I expect that he will rise above that and will see the merit for both countries in this kind of trading arrangement. I hope he will, anyway.

GENERIC DRUG ISSUE

Mr. Steven W. Langdon (Essex-Windsor): Would the Prime Minister tell the House if the Government will also commit itself not to give in to the United States on the generic drug issue as it has given in on other issues like FIRA, which is yet one further concession, to try to get these talks back on the rails now that they look they are in such serious trouble?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know the hon. gentleman is expressing a hope rather than an opinion. He mentions the generic issue. That will be dealt with by the House at an appropriate time.

As I indicated earlier today, if the Government takes a position on a given issue which affects our bilateral relationship with the United States, it does so because it believes it is in our national interests to do so, as we did, for example, with the National Energy Program. I indicated this morning that, long before I had the privilege of being a Member of this House, I said that the National Energy Program, in my judgment, was exactly like a hold-up at a gasoline station at three o'clock in the morning and it would have to be dismantled. That is what this Government—

Mr. Langdon: Order.

Mr. Althouse: Order.

Mr. Mulroney: We acted on the National Energy Program because that was in our interests and not in the interests of the United States.

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AGRICULTURE

FARM FUEL COSTS—ABOLITION OF VOLUME DISCOUNT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of State for the Wheat Board. The Minister knows that his decision to lower initial grain prices is

having a devastating impact on western Canada. Farm input costs are not going down in Manitoba because the big oil companies like Petro-Canada and Shell have done away with an eight cent per litre volume discount this spring. While world prices for crude oil have dropped by more than 50 per cent, the actual price per litre for farm gas is within one cent of last year.

Will the Minister go back to Cabinet and get authorization to reinstate the 1985 initial grain prices and have Petro-Canada instructed to reinstate the eight cent per litre volume discount which it had last year?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member raises several points in his question. First, we believe that the initial prices are realistic according to world markets. It is not I who sets them, or the Government. Unfortunately influences outside our borders and outside our control set world grain prices.

With respect to the farm discount, I would tell the Hon. Member that I farm and I would very much have liked to have had an eight cent per litre discount. I am certainly not aware of anyone who had a discount nearly that large. It was more in the order of two cents or three cents. The Hon. Member is right that the discounts have all been removed. We have all made representations on those matters.

Third, the Hon. Member was not accurate when he said prices have not come down, because in Manitoba the price of diesel fuel and gasoline, I believe, has come down something like ten cents in the last two months.

Mr. Speaker: Short supplementary.

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BANK OF CANADA

REPORTED CASH ADVANCE TO CHARTERED BANK

Mr. Maurice Foster (Algoma): Mr. Speaker, there are reports around that the Bank of Canada has advanced over \$2 billion to one bank during the last several weeks because of its financial difficulties. Why can the Government not provide \$1 billion of assistance to over 140,000 western farmers to reinstate the 1985 initial prices for grain?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Hon. Member knows full well that the Bank of Canada has a liquidity function to perform in the banking system, and that it is totally inappropriate to comment on what that institution is or what the rumours are. That is absolutely and totally separate from the business which is being discussed with the Minister of State for the Wheat Board.