

POSSIBLE IMPACT ON GOVERNMENT DEFICIT

Mr. Simon de Jong (Regina East): My supplementary question is the following. Surely the Minister must recognize that by structuring the deal the way it was structured that in essence the Canadian taxpayer ended up paying because of the loss of approximately \$100 million in tax revenue. Otherwise, CDIC would have had to pay more, and that would have come out of CDIC which is financed by premiums from the banks in the trust.

In essence, part of the load of bailing out the Bank of B.C. was shifted from CDIC to the backs of the Canadian taxpayers.

On November 26 of last year the Minister of State stood in this House and said that the bail-out of the Bank of British Columbia would "have no impact on the Government's deficit". He stated this knowing that Revenue Canada had already calculated that this deal would give this bank a \$100 million tax gift.

Why did the Government not have the integrity to tell Canadians the whole truth about the deal? It is a question of integrity.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I totally reject that. If the Hon. Member wishes to have a reasonable debate on the facts of the issue then fine, we can have that debate. But the Hon. Member should not bring in these red herrings of integrity on a deal when we are trying to explain it clearly to the Hon. Member.

Earlier this week my colleague stated that the purpose of the \$200 million payment was to get that money into the Hongkong and Shanghai Bank which had the capital, the financial resources, and the strength around the world to provide the backing to the Bank of British Columbia in a way that would ensure the continued existence of that bank. That was why the money went to the Hongkong and Shanghai Bank. That is why the deal was structured that way. It was not motivated for tax reasons.

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AIR TRANSPORT

PROMOTION OF TOURISM IN EASTERN ARCTIC—REQUEST FOR GOVERNMENT ASSISTANCE

Mr. Thomas Suluk (Nunatsiak): Mr. Speaker, in the absence of the Minister of Transport, whom I had occasion to travel with across the length of the Arctic this fall, my question is directed to the Minister of Indian Affairs and Northern Development.

The Northwest Territorial Airlines that flies across the Arctic coast has now been bought by Air Canada. Because Air Canada is a public airline it should be much easier for the Government to provide subsidies for northern travel to

promote tourism and economic development in the eastern Arctic.

• (1150)

Could the Minister tell the House whether the federal Government, in conjunction with the Government of the NWT, will be willing to provide subsidies to the northern segment of Air Canada?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the Hon. Member for his question, and his interest, which continues to serve the people of the eastern Arctic.

As the Hon. Member knows, the ability of Air Canada now to be represented in the 10 communities in the Northwest Territories, the direct links to over 100 destinations in Canada which Air Canada serves, and the international links will surely serve the people of the Northwest Territories and the cargo which is needed and, in the reverse, the tourism industry in the Northwest Territories that he so strongly supports.

However, I would make a commitment to my colleague to discuss with the Minister of Transport and take the responsibility of discussing with the Government of the Northwest Territories a way of assuring that travel, which is so necessary in northern Canada, can be implemented with this takeover or this merger of Air Canada and NWT Airlines.

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[Translation]

FREE TRADE

ALLEGED COMMENTS BY MR. REISMAN—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is for the Right Hon. Prime Minister and concerns the comments and statements of Mr. Reisman that those who do not share his views are Nazis and liars.

I think that it is important to point out that, contrary to what the Minister for International Trade has said, the fact that Mr. Reisman is a veteran does not allow him to call all those who do not share his views liars.

My question for the Prime Minister is as follows. If someone objects to this agreement and says that there will job losses in the footwear, textile, clothing and electrical appliances industries, do you think that he or she is a Nazi, a liar, or simply someone who, just like you, wants to defend the interests of Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, according to the Hon. Member, Mr. Reisman said that those who do not share his views are liars and Nazis. He never said such a thing. This is a fallacious comment on the part of the Hon. Member, but he is quite used to spread false