

Canada under the corn competitive formula. The Canadian Wheat Board has said there is now an adequate supply of feed grain in eastern Canada. Because of previous shipments, there are grains on location and there are large quantities at Thunder Bay. There is grain available from Ontario, and there is corn available from the United States. In these instances the board feels that it has fulfilled its responsibility to provide feed grain in adequate quantities and at equitable prices.

QUERY RESPECTING QUOTAS

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, could the minister enlighten us on how that decision was reached? Was it reached unilaterally, or was it in consultation with the government and the Canadian Livestock Feed Board?

Second, would the minister consider asking the wheat board, in view of the fact that it is withdrawing from supplying the domestic market at the formula price, which is welcome news to us in western Canada, whether at the same time it will remove quotas on offboard grains and return to the 10 per cent and 20 per cent system of space allocations used prior to the implementation of quotas on offboard grain over two years ago?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I do not have anything to announce on quotas. However, I want to complete the answer that I have just given by saying that the Canadian Wheat Board made that decision in light of present circumstances. Should scarcities develop in eastern Canada, obviously the Wheat Board would be extremely willing to look at those new circumstances. Again, this is a very complex issue and the advisory committees of the Canadian Wheat Board and the Canadian Livestock Feed Board are looking at it again now.

The minister responsible for the Wheat Board has also asked the Canadian Federation of Agriculture to advise him further on the responsibility for adequacy of supply in Canada. It is a very difficult question, and my hon. friend is also very much aware of it. The present decision of the Canadian Wheat Board is one which has been taken in the context of the difficulty of reconciling the two policies that I have mentioned.

* * *

SMALL BUSINESS

TRANSFER OF EXCISE TAX TO WHOLESALE LEVEL

Mr. Ron Stewart (Simcoe South): Madam Speaker, my question is for the Minister of State for Small Businesses and Tourism. The minister knows that shifting the federal excise tax from the manufacturing level to the wholesale level will impose hardships on a great many Canadians. It will impose a complete new layer of paperwork on an already overburdened segment of the economy. It discriminates against the small business man and favours the larger corporations. It forces wholesalers to be tax collectors without remuneration. The new system will increase costs to independent retailers by an

Oral Questions

average of 1.25 per cent on applicable items, and hence will result in higher prices for consumers.

If this is a so-called equitable tax, why is tobacco excluded from the tax the wholesaler must collect? Consequently, four large tobacco manufacturers will have the use of taxes collected and will earn an estimated \$5 million profit from the cash flow on this float—

Madam Speaker: Order, please. The hon. member had a question, and I think it was sufficient.

Mr. Stewart: I have not finished it, Madam Speaker.

Some hon. Members: Oh, oh!

[Translation]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism): Madam Speaker, I wish to inform the House that I was quite able to grasp the substance of the long question put by the hon. member opposite. I should like to point out that the purpose of transferring this tax to wholesale distributors is quite simply to put products manufactured abroad on an equal footing with products manufactured in Canada.

* * *

[English]

EXTERNAL AFFAIRS

ISRAELI ANNEXATION OF GOLAN HEIGHTS

Mr. Ian Watson (Châteauguay): Madam Speaker, I have a question for the Secretary of State for External Affairs. The unilateral Israeli action to incorporate the Golan Heights is of urgent concern to Canada and Canadians. Has the minister made, or does he intend to make, representations to the State of Israel voicing Canada's objections, and reaffirming Canada's commitment to Security Council Resolution No. 242?

Mr. Prud'homme: Totally unacceptable.

Some hon. Members: Oh, oh!

Mr. Nowlan: The chairman has already answered.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, Canada strongly opposes the extension of Israeli law to the occupied territory on the Golan Heights. This is a step toward complete annexation, and we believe that would be contrary to international law. Therefore we intend to make our feelings known to the government of Israel. We are, of course, prepared to state publicly what our position is.