

Oral Questions

Third, as I indicated previously, both the Oberon Class submarines we have today and our new submarines will have the capacity to receive very low frequency communications. At the present time what we do is rely upon allied networks for transmission. And if we take a decision to do otherwise, this money would be taken out of the \$8 billion figure. Now, perhaps the Hon. Member will make clear what the Liberal policy is? My friend talks about the Arctic. How would the Liberals defend the Arctic?

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TRADE**SOFTWOOD LUMBER TAX—LEGAL PROCEEDINGS LAUNCHED BY MANUFACTURERS**

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Deputy Prime Minister who will be aware that 25 independent softwood lumber manufacturers and re-manufacturers are suing the Government because of the tax they had to pay under the softwood lumber export tax while 20 other companies in very similar circumstances received an exemption.

● (1500)

Can the Deputy Prime Minister tell Canadians why the Government forces an industry group into court in order to obtain fair treatment when surely that should be a direct objective of the Government and of the tax system?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, it would not be appropriate for me to comment further on this matter because it is before the Federal Court.

I will say that examinations for discovery are to take place this summer to allow counsel for both sides to establish the facts. The case will then be heard by the British Columbia division of the Federal Court. It is not open to us to discuss it at the moment.

DETERMINATION OF TAX POLICIES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my supplementary question is the following. The Government is aware of the degree to which this type of different treatment has eroded confidence in the Government's willingness to defend Canadian plywood standards against representations from the United States.

Can the Government assure the House that taxation policies will be set in Canada rather than in the United States?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I find that comment rather amazing coming from the New Democratic Party which criticized the Government for taxation policies in Canada. The New Democratic Party wanted us to let it stay in the United

States and let the tax go to the United States. I find it interesting that the New Democratic Party would say that.

Yes, we can give the assurance that taxation policies will be established here and will be carried out here in Canada.

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AGRICULTURE**WESTERN DROUGHT—HERD MAINTENANCE PROGRAM—REQUEST FOR ANNOUNCEMENT**

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. It concerns the western drought situation. Although there has been rain in some areas of the West, most areas are still desperately short of feed for cattle, and pastures.

When will the Minister and the Government announce a herd maintenance program in order that livestock owners will be able to keep their herds and provide feed for them during this drought period?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the fact that the Hon. Member's Leader took time on one of his western trips to visit the drought area of western Canada, as did the Leader of the New Democratic Party.

I have received questions from both Parties on this subject. I indicated that the work of the federal-provincial drought coordinating committee continues to go forward. In fact, they are meeting today in Winnipeg.

The Hon. Member should know that the Canadian Cattle-men's Association put forth another option prior to the weekend and over the weekend in place of a per head payment. The federal-provincial committee has invited the Canadian Cattlemen's Association to make a presentation to their meeting today in Winnipeg.

Mr. Speaker: The Hon. Member for Algoma, and this will be the last question.

REQUEST THAT GOVERNMENT INTRODUCE TAX DEFERRAL SCHEME

Mr. Maurice Foster (Algoma): Mr. Speaker, my supplementary question is the following. Since the Minister is not prepared to announce a herd maintenance program today, is the Minister prepared to recommend to the Government, and get the Government to put in place, a special tax arrangement in order that farmers who do have to disperse their herds will be able to put receipts from that sale into a special reserve fund which, if used for the purchase of replacement herds within three years, would not be liable for taxation?

Is the Government prepared to provide such a program to assist those farmers who have to disperse their herds this year due to the drought circumstances?