

Oral Questions

I am sure my hon. friend understands that it is important to prevent the constant erosion of the federal tax base. We are trying to put in place the appropriate kind of a structure, the appropriate kind of a formula that will preserve the tax base while at the same time not provide an undue burden on the provinces that use this kind of taxation.

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EMPLOYMENT

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, my question is for the Minister of Industry, Science and Technology.

The announcement in St. Catharines of the closure of the foundry and the intended closure of the axle plant are causing bitter feelings in my community. It has been acknowledged that these operations are profitable, modern and efficient and that the workforce enjoys an advantage of approximately \$9 per hour over their American counterparts. The reason given was the lack of ability to expand these operations to take in other parts of the GM operation.

Is the department able to do anything to help maintain the viability of these operations or alternatively, can it help in looking for a purchaser, especially for the axle plant which General Motors has indicated will be for sale?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, my hon. friend has pointed to an area where we can help. We will work with General Motors in trying to find possible purchasers of the axle plant. We will be sitting down with the company to get the various elements of information to assist in this.

To the extent that we are able to be of assistance, we certainly will be very happy to do so.

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SOFTWOOD LUMBER

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, my question is for the Minister for International Trade.

News reports today say that GATT has ruled against Canada and found that the U.S. commerce department

had the right to initiate special countervail action against Canadian softwood exports rather than following their own procedures for such a process.

Can the minister confirm whether, in fact, GATT has issued such a report and whether GATT has made any decision on the question of the U.S. demand for our raw logs, the real issue behind this whole softwood dispute?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, my hon. friend has only got it half right. I can confirm there has been a report. There is a decision on the part of the GATT panel that we have just recently discussed with the provinces and with the industry, and I am pleased to share it with my colleague today.

As to the question of the bonding that the Government of the United States levied at the time of its announcement, the GATT panel found the United States in error. The result will be that some \$15 million worth of bonds will have to be returned to Canadian exporters.

On the other question, my hon. friend is correct.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): On the question of the bonding, my question to the minister is this. What specific steps is he taking to make sure that the Americans give us our money back?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I would expect that the Americans would honour the GATT panel ruling.

Some hon. members: Oh, oh.

Mr. Wilson (Etobicoke Centre): This is something we will be taking to them. If they do not we will press the matter as aggressively as we possibly can. It is very clear in the GATT panel ruling that the position we took when we put the matter before the GATT panel is correct.

I might also say to my friend that we still have, subject to chapter 19 dispute settlement panels, the question of the final injury and subsidy rulings.

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JUSTICE

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, my question is for the Solicitor General.