

*Oral Questions*

continue to approve the spending of \$10 million by Dreamstreet Limited to do a phoney research project to compare the production of red and white holsteins with that of black and white holsteins, when this project has been soundly condemned as useless by the Holstein-Friesian Association of Canada, the University of Guelph, and the Co-ordinator of Research for Agriculture Canada? What is the pressure that keeps the Minister approving this project and spending \$10 million of taxpayers' money?

**Mr. McDermid:** Remember who brought that stupid scheme in.

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, my colleague surely knows that there is no pressure involved. He must know that this is the residue of one of the most ill-conceived programs ever brought forward by the previous Government.

**Some Hon. Members:** Hear, hear!

**Mr. MacKay:** This is so in the opinion of all the knowledgeable tax experts in this country and is something which, incidentally, the Leader of the New Democratic Party was one of the first to note, to give him credit. It has turned out that we have had to audit all of these programs to ensure that the taxpayers' interests are being protected. I cannot comment on the state of this particular application because of the provisions for secrecy in the Income Tax Act.

## APPROVAL OF PROJECT

**Mr. Maurice Foster (Algoma):** Mr. Speaker, it is reported that this research project was turned down about three or four times before it was finally approved last November. Can the Minister indicate if the Minister of Agriculture or any other Minister made representations to have the project approved late last November or early December?

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, I can certainly tell my colleague that there were no such representations, as far as I am concerned. Even if there were, as I said earlier I cannot comment because of the provisions of the Income Tax Act.

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## CANADA POST CORPORATION

## MAIL DELIVERY SERVICE

**Mr. George Baker (Gander—Twillingate):** Mr. Speaker, daily mail delivery may be a thing of the past following a decision of the Government to be announced in six weeks' time. The Minister responsible has said that he could talk about delivery three times a week and he could talk about delivery four times a week. I ask the Minister not what he could talk about but what he is talking about. Will the

Canadian people have input into this decision before the Government totally destroys the postal system in Canada?

• (1150)

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I think I have already answered this question many times this week. We have been requested by the Minister of Finance to find the best possible way to bring the post office to self-sufficiency in a short period of time. Alternate-day delivery is just one of the alternatives that is being examined. It may not be retained but it has to be examined.

## PUBLIC'S REQUEST FOR SERVICE

**Mr. George Baker (Gander—Twillingate):** Mr. Speaker, the Minister says that he is searching for ways to fulfil the request of the Minister of Finance. What about the request of the Canadian people for better mail service rather than a return to the Pony Express?

**Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post):** Mr. Speaker, I think I can answer that by saying that we have to deal with the deficit and we are committed to bringing economic renewal to the country. It is the representations that the Prime Minister makes in other countries that bring good news here to Canada.

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## TRADE

## LUMBER EXPORTS TO UNITED STATES

**Mr. Ian Waddell (Vancouver—Kingsway):** Mr. Speaker, my question is directed to the Prime Minister. I take it that the Prime Minister is aware of the May 8 letter of President Reagan to Senator Packwood indicating the President's intention to take unilateral action on Canadian softwood lumber. Would the Prime Minister not agree that there has not been a clean launch to the free trade issue? Has he not been doublecrossed by his friend, President Reagan, on the softwood lumber issue?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I thought that had been asked and answered many times prior to my departure. I stand by the answer I gave. I do not know what unilateral action the hon. gentleman is talking about. We are satisfied that there will be a clean launch to the talks.

## CANADIAN POSITION

**Mr. Ian Waddell (Vancouver—Kingsway):** Mr. Speaker, given that the Prime Minister has been away and that these are more recent developments, would the Prime Minister inform himself of these more recent developments? Considering that this is Canada's largest industry, would he indicate to