

Oral Questions

• (1415)

[English]

TAX REFORM

WHITE PAPER—SUPPORT FOR PROVISIONS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, after extensive consultation with Canadians from coast to coast, the Minister of Finance (Mr. Wilson) has launched the most comprehensive tax reform in Canada's history. The theme and thrust of the reform are greater fairness.

Through the progressive conversion of exemptions and deductions to tax credits, an additional 850,000 Canadians will not need to file a tax form again. Nine out of ten Canadians, aged 65 or older, will pay less tax. Eight out of ten Canadian households will pay less tax. Over the next five years personal income tax revenue will decrease by \$11 billion.

Corporate income tax will be increased by \$5 billion by shutting down or reducing certain preferences. Most Canadians agree that the corporate sector, particularly banks and other financial services corporations, should be carrying more of the tax load.

The initial reaction of Canadians has been favourable. We had a breakfast meeting in Don Valley East last Friday which was chaired by Ken Stephen. Our panel of tax experts included Maureen Pappin, of Deloitte, Haskins and Sells; David Hughes of Blake, Cassels and Graydon; and Ian Young of CIL Inc. With almost 150 people in attendance, most agreed that the Government is on the right track.

ORAL QUESTION PERIOD

[English]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—FUTURE OF AUTO PACT

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister for International Trade. Only last week the Government, through the mouth of the Parliamentary Secretary to the Minister for International Trade, again insisted that the Auto Pact was not on the free trade negotiating table.

Now we learn from a confidential memorandum, setting out what U.S. deputy negotiator Merkin told congressional staff, that the Government has in fact been negotiating the Auto Pact all along during the free trade negotiations and has in fact agreed to end Canadian auto tariffs, the only lever the Government has to ensure that Canadian automotive production and job safeguards can be met.

I want to ask the Minister how can Canadians believe anything the Government says on this or any other matter after this information from Ambassador Merkin? I ask the

Minister will she be honest with Canadians? Will she tell the truth to Canadians just this once and admit that the Auto Pact is on the table, that the auto tariffs are gone, and that 200,000 automotive jobs are at risk? Will she tell the truth on this for the Government just this once?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the problem with the question as put is that it is based upon something which is not true. I have repeatedly told this House—and it is still true today—that the Auto Pact has not been discussed in these negotiations. It has not been discussed in any form in these negotiations.

Canada does not intend to put the Auto Pact on the table. We believe, as I have told the House, that it is working well. If the Americans wish to make any proposals, which they have not yet done, we will look at them. If they increase employment, increase production, and increase investment in Canada, we will look at them.

[Translation]

AUTO PACT'S FUTURE

Hon. Herb Gray (Windsor West): The Minister is saying that Mr. Merkin is not telling the truth. Is the Minister not prepared to accept that Mr. Merkin said the Government is prepared to turn the Auto Pact into a skeleton, an empty shell?

• (1420)

[English]

Mr. Speaker, has the Government agreed with the United States to end Canadian automotive tariffs? Will the Minister answer this with a clear yes or no? Canadians deserve to have an answer on whether the Government intends to sell them out once again and put at risk, if not lose, 200,000 Canadian jobs. Give a straight answer. Has the Government agreed to end Canadian automotive tariffs?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I am really shocked at the ignorance—

Some Hon. Members: Oh, oh!

Mr. Gauthier: Resign then.

Mr. Guilbault (Saint-Jacques): She is shell shocked.

Miss Carney: I am shocked at the ignorance of the Hon. Member. He, above all, should know that there are no tariffs in effect on trade within the Auto Pact. He should know that. There haven't been any tariffs for about 25 years. I am shocked that the Member stands in this House and suggests that there are tariffs on trade in the Auto Pact that apply on automobile trade between these two countries.

Mr. Gray (Windsor West): Mr. Speaker, if this is the Minister's level of knowledge of the Auto Pact, she ought to resign on the spot.