

Oral Questions

My question is for the Minister of National Revenue. Why has it taken in some cases more than 90 days for tax rebates for the old FST to be issued on inventory these businesses had when the GST took effect? Can the minister assure this House that in a time of recession and intense competition he is doing all he can to help these cash strapped businesses?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the hon. member will know that the change to the GST itself is going to bring better cash flow opportunities to the majority of Canadian businesses, plus make them more competitive.

However, in as far as the federal sales tax rebates on inventory are concerned, as I have stated in the past we have experienced some problems in some areas, the automotive industry being one, for the very simple reason that in some instances inadvertently manufacturers, dealers and distributors send in claims for the same vehicles.

Of course we are not going to send out money blindly. We have to take the advice of the Auditor General and check it very carefully. We have streamlined the operations, and now I am happy to report that as of the end of last month some 75,000 claims for over \$1.5 billion have been sent out. The majority of businesses now are receiving the claims within the 21-day prescribed period.

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DE HAVILLAND

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Prime Minister.

The Minister of Industry, Science and Technology, in answering questions on the sale of de Havilland, said that the first responsibility of the government is to follow the law very carefully.

During the course of Question Period the Prime Minister said to members on this side, across the floor, that “we”, the government, “have no intention of turning down this sale”.

I want to ask the Prime Minister whether the government has already made up its mind that de Havilland is to be sold to ATR, a company controlled by the Governments of France and Italy. Yes or no.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I see my hon. friend, the Leader of the Opposition, agreeing with the statement. He was not in the House when it was made and neither was the member who has just raised the question, I believe.

The statement I made in response to a very unusual situation that occurred, namely some heckling from the member for Hamilton East—it was so unusual that I was shocked into a response—was that the Government of Canada had no intention of frivolously turning down foreign investment that is coming into Canada.

• (1500)

Mr. Speaker, I went further. I said we are entertaining a possible investment of \$100 million that foreigners want to invest in Hamilton, Ontario, and I plan to encourage it.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): A supplementary, Mr. Speaker. To be perfectly clear, is the Prime Minister of Canada telling the workers at de Havilland, the people in the aerospace industry in Canada that it is the intention of the Government of Canada to transfer that industry, in particular de Havilland, into the hands of de Havilland’s major competitor, thereby losing high-tech jobs in Canada. Is that what he is telling the House today?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend knows that I said no such thing. I said no such thing, directly or indirectly. He knows that.

What the minister has pointed out is that when this government came in we abolished FIRA, which we thought was sending out anti-investment signals around the world. We believed that foreign capital was needed in Atlantic Canada, in Newfoundland, for example, to help us develop Hibernia. A vast amount of foreign capital is needed.

I want to tell my hon. friend that in Ontario and in Newfoundland, when a foreigner wants to come in and invest capital in Newfoundland to create jobs in Newfoundland, if he follows the rules, we are going to give him the benefit of the doubt. The rules of Investment Canada are there, and we believe those rules are going to benefit the workers in Ontario. We care very much about the impact on the workers in the aerospace industry in Toronto and in Montreal, and we plan to work very hard to make sure they are protected.