

Supply

● (1510)

We have first, the serious sets of cases which have damaged Canadian exports, and second, the spread taking place in the United States of our policy areas which the U.S. now believes are part of what constitutes subsidies.

I have before me the preliminary decisions of the Department of Commerce on the groundfish case. It lists within it 54 federal and provincial programs that were considered by the International Trade Commission in the United States to constitute potential subsidies. The Department of Commerce in turn reviewed them and concluded that they did represent subsidies. Some of these are absolutely crucial to the future of Canada, not just in the Maritimes, not just in British Columbia but right across the country.

We have The Export Market Development Program which is considered to be an unfair subsidy. We have the Regional Development Incentive Program that is considered an unfair subsidy. We have the Industrial Regional Development Program, something which goes into half the constituencies of members represented in this House, and that too is considered an unfair subsidy.

It is not just the federal Government which sees its programs and policies at risk, but also the provincial Governments. In the case of groundfish we see programs from New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island, Quebec, in fact from all of eastern Canada considered to be unfair subsidies. Therefore, they could provide the basis for the United States to put up new tariffs which would damage producers on this side of the border exporting into the United States.

Our argument throughout this whole free trade debate is for a direct and aggressive policy on the part of the Canadian Government to persuade the United States to cease using its countervail power in this way. The best way to do that is through a double-pronged program. First, is via GATT. In the renegotiation of the next round of GATT which starts this September it will be possible for us to have very powerful allies as we attack these various attempts by the U.S. to extend countervail power beyond the boundaries of what anybody expected in the last GATT round. We could have powerful economies like Germany, France, Japan and Great Britain with us as we make the case against the United States in GATT that its countervail approach is unfair trade. It represents a predatory attempt to overextend the boundaries of GATT's previous concerns and prerogatives.

Second, we have argued that it is crucial for us to take a much more aggressive position ourselves, that we take our own countervail program, which is extremely slow and unfair to the producers, and streamline it more so it becomes possible to use that program either directly through government or indirectly via producers to take retaliatory action against the United States when our producers are hit.

It may sound like the mouse that roared when you talk about Canada taking retaliatory action against the United

States but the trade flows that exist between the two countries are of significant importance to both countries, and for us to have built into our legislation, as we advocate, the power to take such retaliatory action, is crucial.

At the moment we have a system where even to get the chance to take a case before our special import tribunal it is necessary for our producers to go to the Minister and get his okay. I recognize that the Minister is an eminently reasonable man, but that is not the kind of fast effective hard-hitting tribunal which can take us into a position where we can fight back against the U.S. in this war of countervail activities that has begun to develop between the two countries. That is the approach we have suggested.

On the other side there is, I believe, a myth. That myth is that we can somehow escape through these free trade talks from the countervail system itself. I have here dozens of reports of speeches by key American officials that make it absolutely clear that they will not give up their right to countervail under any freer trade agreement which we might sign. We have the statements of Mr. Merken to a Wayne State university group. He said quite clearly to them that there was absolutely no chance that the countervail system in the United States would be eliminated to benefit this country. He said that if the Canadian goal was to get that kind of countervail it was simply not going to be possible in the trade talks. The same skepticism was expressed by the American representative for trade, Mr. Yeutter. He has said that he would not be enthusiastic about anyone being exempted from anti-dumping or countervailing duty laws.

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We can continue with all sorts of comments from, as an example, the Select Committee on Economic Affairs in Ontario which went to Washington and interviewed many groups asking if it seemed at all likely that the countervail power might be, in any sense, restricted. In each case the answer was that there is no possibility that that route will somehow win a solution for our lumber, fish, strawberry, or hog producers.

The thrust for freer trade which we have set out upon is built on a wing and a prayer which, unfortunately, is almost doomed to failure. It is almost certain to fail because that power of countervail is so crucial to U.S. producers and politicians. It is for this reason that the Government should take a different approach. It should work through GATT and develop the retaliatory powers to enable it to fight back when countervailing actions are taken. That direction provides some hope as opposed to myth.

Mr. James: Mr. Speaker, I cannot help but be amazed at the anti-Americanism which comes from the Member for Essex—Windsor (Mr. Langdon). He talks about an aggressive position on countervail. Only this morning a member of his Party spoke about the real problem of countervail by the United States on our lumber. He now wants us to develop an even more aggressive position. He talks about the mouse that