

*Point of Order—Mr. Lewis*

### POINT OF ORDER

POWERS OF COMMITTEE UNDER STANDING ORDER—  
GOVERNMENT RESPONSE—SPEAKER'S RULING

**Mr. Speaker:** Order, please. On May 1, 1986, the Hon. Parliamentary Secretary to President of the Privy Council (Mr. Lewis) sought clarification from the Chair as to the interpretation of Standing Order 99(2). The first question to be addressed is specifically whether a committee can ask for a response to only a part of a committee report.

It is clear to the Chair that such a request, while not expressed in specific terms in the relevant standing order, is a valid one since it would be a simple matter for a committee to present a separate report containing that part of a main report to which it wishes a response. Further, there are numerous supportive precedents on this very question.

The second question which has to be settled is that, when a committee has asked for a partial response, is the Government bound to comment only on that specific part of the report. In the opinion of the Chair, should a committee request a response to a particular part of a report, the whole of the report remains open to comment by the Government, if it so chooses, although the Government would have no procedural obligation to respond to more than that part of a report to which a committee requested a reply.

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## GOVERNMENT ORDERS

[*English*]

### BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—CANADA-U.S. FREE TRADE—  
RESCINDING OF EXISTING COUNTERVAILING DUTIES

The House resumed consideration of the motion of Mr. Riis:

That this House urges the Government not to proceed with any free trade talks with the United States Government unless that Government rescinds existing countervailing duties and guarantees that such duties will not be used in the future, given the current threat of U.S. countervailing duties in the softwood industry—an industry in which free trade now exists.

**Mr. Speaker:** Is the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) seeking the floor on debate?

**Mr. Althouse:** Mr. Speaker, I wish the Hon. Member for Essex—Windsor (Mr. Langdon) to have the floor.

**Mr. Speaker:** Order, please. I am sure the Chair misrecognized the Hon. Member for Humboldt—Lake Centre and is prepared to recognize the Hon. Member for Essex—Windsor (Mr. Langdon) on debate.

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, as the Hon. Minister for International Trade (Mr. Kelleher) indicated, the motion before us today goes right to the heart of a debate which is taking place in the country. It deals with the question of countervailing duties and the role of continuing

countervailing action in respect of the negotiations as they themselves take place.

For most Canadians the concept of countervailing duties is not easy to understand. What exists in the United States—and it exists in a somewhat different way in Canada—is a system which permits companies, Senators, Congressmen, and a variety of different forces to go before a quasi-judicial body, the International Trade Commission, to raise the possibility that they are being damaged by foreign trade or that the effect of foreign imports on a domestic U.S. industry is negative. In conjunction with that quasi-judicial investigation by the ITC is an investigation by the Department of Commerce, part of the administration of the United States. It investigates whether subsidies are being provided by the country which is exporting into the United States and potentially damaging domestic producers within the U.S.

The countervail process in the United States comes out of these two streams and leaves a giant decision at the end, with input from the ITC indicating that a particular industry or set of firms is indeed being damaged. As well it has input from the Department of Commerce saying whether or not subsidies are being provided. If both these decisions come down in favour of the United States, the consequence is that the exporter to that country can have erected against his enterprise a countervailing duty. Countervailing duties can range across a vast area; we can talk about very small countervailing levels or very large ones which can be extremely damaging to exporters to the United States.

This is a crucial area for Canada. It is a case which has hit Canada repeatedly over recent years. I know the Minister and I have no disagreement that the countervail power of the United States is extremely important, has been extremely damaging to certain Canadian industries, and can be even more damaging to other Canadian industries, of which the most obvious at the moment is softwood lumber. However, softwood lumber is not by any means alone. Our salt fish and groundfish have already been hit this year by countervailing tariffs. After building an industry with the support of the province, hog producers in Essex County found themselves facing near bankruptcy because of the countervailing duties against live hog exports.

It is not only those cases which are the problem, but also those cases which represent constant threats to Canadian producers, constant threats which they have to fight often, and certainly financially, on their own in the United States. For example, I could point to mould producers in Essex County who were taken before the International Trade Commission and accused of exporting with unfair subsidies and hurting certain U.S. producers. They were told in the end that they have no choice but to fight the case themselves. Despite the fact that they were part of a small industry, they spent over \$100,000. In the case of the hog producers, that industry too, despite very limited funds, has had to spend over \$200,000 to fight its case before the ITC.