

Oral Questions

ORAL QUESTION PERIOD

[English]

TRADE

UNITED STATES CONGRESS—LEGISLATION IMPOSING SURTAX ON IMPORTS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to pose my question to the Minister for International Trade. Once again a major blow has been applied to Canada by the United States. Once again the Canadian Government has acted too little and too late. Once again there has been a total rejection by the United States Government of any requests for proper consultation.

Considering that a U.S. spokesman for the White House has already rejected calls for a veto, what steps will the Government of Canada now take to roll back what is clearly an illegal act on the part of the United States Congress and the President, the imposition of a surtax on all imports? Will we use all measures available to us through the international trading system?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member should be aware that the Government's opposition to this measure has been a matter of record since September. The Secretary of State for External Affairs said on the weekend that we consider this matter to be offensive and that we think it is wrong. Today we registered our opposition with the White House by sending a letter to Clayton Yeutter, the U.S. trade representative, urging the administration to oppose the enactment of this legislation.

CANADIAN RESPONSE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, is the Minister aware that when the question was posed two weeks ago, the Government said it would not ask President Reagan to impose a veto? Second, the White House has already rejected the notion of vetoing that legislation. What steps will the Government take to oppose what the White House itself admits is a marginally illegal act? Will we go to GATT and will we be prepared to take all steps available to us to ensure that that measure is rolled back?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member correctly points out that this move on the part of the United States is contrary to its GATT obligations and also to its public commitments made in Punta del Este and elsewhere. As the Hon. Member said, we only have the word of a White House spokesman, but if the measure does go ahead the Government will take appropriate action.

Mr. Axworthy: Mr. Speaker, unfortunately we know what "appropriate action" is. It is usually no action at all.

CANADA-UNITED STATES AUTO PACT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, under Article II of the Canadian-U.S. auto agreement, it is very clear that the signatories to the agreement cannot impose any additional surtaxes or duties. Considering that this is a direct transgression of the Auto Pact agreement, will we take legal recourse to bring the United States into line with that agreement, and will we make that intention known today so that the President of the United States will know what the consequences are before he signs that appropriation Bill?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think the Hon. Member is being very helpful by identifying the areas of our concern over this move by the United States. As he has pointed out, it is a major protectionist move. It is against the obligations of the United States and I have said that we will be taking appropriate action. We have already registered our concern in this morning's letter to the White House.

NEWSPRINT EXPORTS TO UNITED STATES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the world has changed. A few months ago when the cedar shakes and shingles matter arose, the Prime Minister called the U.S. President bizarre. Now we are writing letters to the White House.

• (1420)

Last Friday I pointed out to the Minister for International Trade that the stumpage system in Canada which produces softwood lumber is the same stumpage system which produces the raw material for newsprint. What assurances does the Minister have that the U.S. newsprint industry will not seek and receive from the U.S. Department of Commerce, based upon the same stumpage system, a 15 per cent countervail against the Canadian newsprint industry, an industry worth \$4.4 billion in exports to the U.S. and, if countervailed, will cost the Canadian newsprint industry \$700 million?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have said time and again in this House that the assurance we seek to stop this kind of action is a bilateral trade treaty between the United States and Canada.

PROPOSED GENERIC DRUGS LEGISLATION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, that begs the question that if a bilateral free trade treaty were useful, why are softwood lumber, newsprint, potash, and fish not on the free trade table? One cannot have it both ways. Is the Minister prepared to commit, today in the House of Commons, that the Government will not proceed with legislation on generic drugs which it admits will cost Canadian consumers at least an additional \$100 million, as long as these so-called irritants remain unresolved—