

Oral Questions

President Reagan immediately and ask him to stop the countervail proceedings on Canadian softwood exports?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it quite clear to the Hon. Member that the countervail action on the question of softwood lumber is part of a legal process which has been initiated by the industry in the United States for which there are many steps, steps that can take a variety of directions as time goes by.

I should throw a question back to the Hon. Member. Since he said in a perjorative sense we were acting as expected, did the Hon. Member expect that we would sit down and take this action without making any response to the United States? Surely he understands that it is important to the economy of Canada and to British Columbia that this Government make a strong and steady response, a response that is understood clearly by the United States Government.

[Translation]

EXPORT OF WOOD PRODUCTS TO UNITED STATES—
GOVERNMENT POSITION

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I am not the one who said that, I was simply quoting the remarks of the ambassador in question.

It is obvious that panic will soon give way to apoplexy unless somebody stops the President.

So my question is this: What does he intend to do to put a stop to that process in the United States so as to protect Canadian softwood exports?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has twice used the word panic. Let me refer him to an editorial in the *Washington Post* today which talks about trade panic in the White House. There can be many points of view expressed on this matter. What I think is quite clear is that the response of the Government of Canada has been a strong one, a firm one, and a response that is quite clearly understood by the Government of the United States that we are concerned about the directions of their policies on trade which they have taken in the last little while, and they are matters we want to discuss thoroughly during the weeks and months ahead.

COMPENSATION ISSUE—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to direct my question to the Minister of Finance who is dealing with this matter today. He has said to the House the Government wants to send a strong and clear Canadian response to Washington. The representatives of both industry and the trade union workers affected by the shakes and shingles tariff yesterday made it very clear to the Government that what they did not want was some compensatory action that was not going to have any direct effect on them. Why is the Government of Canada pursuing, in negotiations today in

Washington, exactly what the people in Canada affected do not want it to pursue?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member did not listen to my first response. What I said in the first response was that officials of the Government of Canada are meeting with officials of the U.S. administration today to discuss two things, one, the question of compensation, and I said that probably was not on because they do not have the legal power to do that, and also to look at the question of how we can regain access to that market for the industry. That matter is still on the table.

POSSIBLE OUTCOME OF TALKS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to ask the Minister more about the compensation package. For two or three days the Government has been talking about that as the desirable route to go, even though the workers and business people affected do not like it. Would the Minister of Finance not agree that if the Americans agree to compensatory action by reducing tariffs in other sectors what we will end up with is a package that may have benefits elsewhere, but will do absolutely nothing in terms of benefits for the workers who are going to lose their jobs in British Columbia? We will still have 4,000 men and women without work in British Columbia.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the New Democratic Party is floating off into never-never land again. I said this matter was no longer under discussion.

Mr. Broadbent: No, you didn't say that.

Mr. Wilson (Etobicoke Centre): There was no legal power for the U.S. administration to deal with it. I said that the matter of regaining access to the United States market for the shakes and shingles industry was still under consideration. These were two very clear and distinctive points that I made. The Hon. Member missed one I would ask him to listen carefully to the answers.

Mr. Broadbent: Mr. Speaker, I listen with care. If the Minister reads the "blues" afterwards he will see what he said in reply to the first question.

● (1425)

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Since they are now reverting back to a process which many on this side of the House said should have been pursued a long time ago, and that is talk about serious bilateral issues instead of pursuing a never-never land of hopeful benefits with free trade down the road, is the Minister saying that the Government of Canada is recommending setting up a special committee with American and Canadian representatives who would deal, for example, with the very important softwood decision which is to be made