

Oral Questions

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I can see the embarrassment of the minister. I remember very well the Prime Minister standing in this House on December 22, 1988, when talking about free trade, and saying: "We will have a genuine shield against new U.S. protectionism, whether from Congress or the administration".

If that so-called shield against U.S. protectionism is so great, why has the cabinet gone into hiding to decide if and how it will retaliate against the Americans?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the cabinet is not in hiding. The cabinet met this morning. The cabinet will meet on Thursday. The cabinet will meet a week from today to deal with the various issues of government.

As far as my hon. friend's question is concerned, do we have a shield? Yes, we do have a shield. The shield is called the binding dispute settlement mechanism which was in force. As my hon. friend recalls, last year there was a very strong push from the Americans to take action against our pork exports. We took it to the dispute settlement mechanism. We took it right to the top of that, and what happened? We won. If we did not have the free trade agreement, we could not have taken it to that dispute settlement mechanism. We would have lost and the pork farmers of Canada would have had a countervailing duty which we could not have got out of paying.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to see the minister tell that to Canadians who are losing their jobs, one after the other, every day. We want to know from this government when it will wake up to that reality. Will it wait until we have two million people unemployed in Canada to fight this sanction by the Americans? Never have we seen the Americans so aggressive against Canadians since you made that crazy deal with them.

• (1420)

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I ask my hon. friend to go and make the statement he has just made to the pork producers of Canada. He will find that the pork producers of Canada are very pleased with the free trade agreement and the

actions that this government took in defending their interests against the Americans under the free trade agreement with the binding dispute settlement mechanism.

Mr. Chrétien: It's not working.

Mr. Wilson (Etobicoke Centre): My hon. friend says it is not working. Ask the pork producers whether it is working. They will tell you that it is working.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to pose a question to the same minister. The government seems to be at a total loss at finding any way of standing up for Canada on this crucial issue.

I want to ask the minister this. Under the 1971 Employment Support Act passed by a Liberal government, federal authorities have a right to provide financial assistance directly to any industry "whose exports are subject to unfair duties and harassment by foreign countries". Considering the mess that the government made of this entire dispute by signing the softwood agreement, will the government now invoke that Employment Support Act to provide direct assistance to industries and workers so that they can maintain their employment and maintain their production? Will this government stand up for these industries and not allow another government to dictate to us what our natural resource policies should be?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, that is precisely why we terminated the memorandum of understanding on softwood lumber so that the resource policies would be established in provinces in Canada and not by Washington. That is precisely why we terminated that agreement.

My hon. friend asks are we sitting back or are we standing up for Canadian interests. We are standing up for Canadian interests. That is why we terminated the memorandum of understanding. That is why on the Honda issue we have issued two strong statements to the United States government and why we have had a series of meetings since then to try to resolve this issue. That is why in the case of the softwood lumber issue we have bound together a coalition of the provinces and the industry affected and are taking that same strong, united position.