

### Supply

It might be well to point out that the U.S. has no monopoly on countervailing actions. Canada, too, has equipped itself through the Special Import Measures Act to deal with injurious subsidized imports. We are determined in administering this legislation to ensure that Canadian producers can obtain relief from injury caused by subsidized imports. The Canadian Import Tribunal is currently investigating whether imports of subsidized beef from the European Common Market are injurious. The Ontario Corn Producers Association has requested a countervail investigation against corn imported from the United States. Canadian agricultural producers are acutely aware of massive subsidies made available to U.S. farmers by their Government.

Should a countervail action be launched against American corn it would be the first such case involving imports from that country. Surely the Opposition should not suggest that Canadian producers should unilaterally be denied their right to seek relief from injury while the trade negotiations with the United States are under way.

Finally, Mr. Speaker, let me reiterate for the benefit of the Members opposite that the Government recognizes the threat posed by the U.S. countervailing duty actions for Canadian exporters. The Government has launched a major initiative to negotiate a better framework for the conduct of our trade relations with the United States. The U.S. and Canada have the most extensive business relationship in the world. Because the relationship is so large and so broadly based there are bound to be occasional difficulties and disputes in our business with each other. There have always been and there always will be. A key objective to these negotiations will be to negotiate better rules to resolve our disputes. These include rules to ensure that countervailing duty actions do not impede our exports to the United States or theirs to us. If the members of the Opposition are genuine in their concern for Canadian lumber workers, they will lend their support to this important endeavour.

**Mr. Axworthy:** Mr. Speaker, I am disappointed that the Minister was not more specific about his timetable for the Employment Support Act. As he knows, we have been asking for this for several weeks. The Government quickly found its voice this weekend after this resolution was introduced on Friday. The Government is now saying that it is examining it. The point I am making is that the workers are being laid off today, tomorrow and the next day. Once again the Minister seems to be saying that the Government is going to fritter away its time while people are being hurt. I wish the Minister had been a little more direct and explicit about when the Employment Support Act would be invoked, how much money would be allocated, and when it would go into place.

The Minister said in the last part of his speech that the launching of the general discussion on free trade is the best protection that Canadian lumber workers could have. In this morning's edition of *The Citizen* there is an interview with Mr. Leonard Santos, the senior trade adviser to the U.S. Senate Finance Committee. Mr. Santos says that because of the free trade talks the President of the United States made a deal with the U.S. Senators on that committee. The article reads in part:

Len Santos said in an interview that President Ronald Reagan has made a "clear deal" to take action against Canadian lumber imports in return for the powerful senate finance committee giving a green light to free-trade negotiations.

In effect he is saying that the launching of those talks was the licence for the lumber industry and those Senators to take those actions. Mr. Santos goes on to say that whether or not there is a decision by the ITC perhaps the ITC will do the dirty work for the President but that if they do not do it the President will impose duties unilaterally under Section 301.

My question to the Minister is obvious. Does he not now concede that the so-called clean launch was a dirty launch, that it had the incredible price attached to it of the introduction and initiative of import procedures against the Canadian lumber industry? Perhaps most important, what is the Government going to do about it? The Minister is talking about a so-called quasi judicial process. It is clear that this is a direct political process and that regardless of which way the ITC and the commerce department decide, we are going to be had.

Now that the Prime Minister has agreed to sectoral negotiations, is that what the Government will end up agreeing to? Is the real game plan that we will start negotiations on lumber and that they will ensue over the next three or four months?

**Mr. Kelleher:** Mr. Speaker, the Hon. Member asked that I be more definitive with respect to the Unemployment Support Act. We have already met with the industry. We are continuing those meetings and, as we determine the extent of the injury and unemployment being suffered, we will be in a position to apply a proper remedy. It is very difficult, without knowing the extent of the injury we concede is occurring, to measure adequately the support that is required. Once that is determined we will do everything we can to assist that industry. The Secretary of State for External Affairs made that very clear last week in the House.

With regard to the question about whether there was a clean launch and whether there were preconditions, I can only repeat what I, the Prime Minister, and the Secretary of State for External Affairs have repeated before in the House. There were no preconditions. It was a clean launch. If the Hon. Member has some evidence and definitive proof to the contrary, he should bring it forward and let us see it. I do not accept a newspaper article interviewing an aide to a Senator as the kind of proof we require. There is no use making these allegations day after day in the House without substantive proof, and that is not proof, a newspaper article by some aide to a senator. What I am telling you is there were no preconditions. The action that has been started here was an action launched by the industry, not the Senate, not the administration and, not the President. It was an action initiated by the industry under their laws, which they are entitled to do. It is a quasijudicial proceeding and we have the right under their laws to be involved. The industry is going to be involved and the industry is going to be fully supported by this Government in that action.