

Oral Questions

The 3-cent per litre gap at the pump, the largest ever, between the price of leaded and unleaded gasoline, is a serious environmental problem to which the Government must address its attention. Leaded gas aggravates the acid rain problem and is also a health hazard. Canadians want the Government to adopt the examples set by Holland, Denmark, and Austria. We must equalize the price of leaded and unleaded gasoline at the pump, thus stopping misfueling and protecting the environment and human health.

• (1415)

ORAL QUESTION PERIOD

[English]

TARIFF

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Deputy Prime Minister. There was a report today that the Minister of Justice, senior Minister in our Cabinet, told an American audience, using a memorable political phrase, that the Government had no choice but to call for retaliation. At the same time Canadian officials are meeting with U.S. trade negotiator Peter Murphy in Washington to discuss compensation. Those two initiatives are totally incompatible with and opposite to one another. Therefore, have we abandoned the request for compensation? If so, what are we meeting with Mr. Murphy about? On the other hand, if we are now going to retaliate, what kind of retaliatory measures will we be introducing and when, or is the Minister of Justice once again engaging in a hothouse harangue?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there are a large number of questions there so let me try to address them. The first was that officials of the Government of Canada met with representatives of the U.S. administration to discuss both the question of compensation as well as restoration of access to the U.S. market. These discussions are continuing. I have to say that the early indications are that the question of compensation is going to be difficult. It does not appear possible to provide that compensation under U.S. legislation. However, we are exploring further the possibility of restoration of access to that market.

CANADA-UNITED STATES NEGOTIATIONS—U.S. COUNTERVAIL ACTION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in those discussions have we raised the question of the Government of Canada intending to retaliate, as the Minister of Justice said? Was that put on the table? As well, did we ask Mr. Murphy if the American Government will agree to a standstill on countervail action, as requested by the Premier of B.C. and other people, during the course of these negotiations,

in order to proceed on a clean launch basis as announced several weeks ago?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have indicated all along that in one form or another there must be a response by the Government to the action taken by the U.S. last week. That is clear. The question of a standstill is related to the problem of the shakes and shingles decision. It is something of lasting importance and it will be discussed by Mr. Reisman with Mr. Murphy as the trade negotiations proceed.

SOFTWOOD LUMBER EXPORTS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I thank the Minister for his answer. If Mr. Murphy and Mr. Reisman are now putting on the table as part of the negotiations the question of the shakes and shingles industry, will they also be putting on the table the question of the softwood lumber petition presently before the U.S. Government? In other words, has the Government once again changed its position and is it including a discussion of these irritants as part of the comprehensive negotiations even though it previously said it would not?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again the Hon. Member has made a leap, if I can put it in the nicest possible terms, by taking something I said and putting it into his own words. What I said was not what he just said, and he knows it. During the course of these negotiations we are going to have to deal with this question of disputes which come up during the course of negotiations. That matter will be discussed by Mr. Reisman and Mr. Murphy.

Mr. Axworthy: Which is what I said.

Mr. Wilson (Etobicoke Centre): Let me just make it clear, Mr. Speaker. The question is of how to deal with these issues in a process sense, not the specific matters as the Hon. Member tried to imply.

REQUEST THAT UNITED STATES PRESIDENT BE CONTACTED

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I think I should go to the Deputy Prime Minister, if I may. As he knows, the U.S. Ambassador is quoted as advising Mr. Shultz in a cable that the Canadian Government, "as expected, is showing signs of panic". This is following the President's decision to impose a tariff on cedar shakes and shingles. We do not want panic. We do not want hand-wringing. We want action.

• (1420)

Having failed to act on Premier Bennett's warning of May 7, and the plea that he made, will the Deputy Prime Minister assure us that he or the Prime Minister will act on Mr. Bennett's further warning and plea of May 20? Will the Deputy Prime Minister or the Prime Minister contact