

Oral Questions

ORAL QUESTION PERIOD

[English]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—PREMIERS' POSITION—IMPOSITION OF U.S. TARIFF ON CANADIAN POTASH

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in the absence of the Prime Minister my question is directed to the Deputy Prime Minister.

The Deputy Prime Minister will know that yesterday in a major communiqué the Premiers accused the United States of bad faith in its trade relations with Canada. The Premiers have called upon Canada to take the strongest possible retaliatory actions against the various forms of trade harassment, the latest case being that of potash.

We have received absolutely no response from the Government on the potash issue. There has been no letter of protest, no sign of strong reaction, no effort to deal with what could be the destruction of a major industry in this country.

In light of that demand by the Premiers that we use all strategic instruments possible to retaliate against the trade harassment by the United States on the potash issue, among others, what does the Government intend to do about that demand? Will we receive some action?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I am pleased that the Hon. Member finally realizes that there is a protectionist mood in the United States which has been developing for some time.

Three years ago the Prime Minister realized that and initiated trade talks with the United States because of its protectionist attitude. Those negotiations are presently ongoing.

In the communiqué from the Premiers, I do not believe that they said to retaliate in the strongest terms. I believe they want Canada to take firm action. We are taking firm action. As we speak this morning here in the House, negotiations are going on and are proceeding quite favourably. We hope that there will be a successful conclusion to those negotiations in order that this protectionist attitude in the United States will not affect Canada once these trade negotiations come to a successful conclusion.

● (1120)

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, on a supplementary, I go back to the Deputy Prime Minister. It is quite clear that the Parliamentary Secretary has not read the communiqué from the Premiers where they make a direct request to use every available strategic instrument in retaliation against the specific cases of trade harassment. I simply say to the Parliamentary Secretary that in the last

three years we have had more cases of trade harassment from the United States than in the previous 25 years. So much for those negotiations.

I want to ask the Deputy Prime Minister, whom I presume might speak for the Government, when will we get action? When will the Government do something about the potash case and the other cases rather than simply providing concession after concession in the free trade talks? When will the Government start defending Canadian interests directly with the United States?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I simply want to reassure the Hon. Member that the Parliamentary Secretary speaks for the Government when he answers questions, and I think he does it in a very articulate and informed manner.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Second, the Hon. Member knows that there is, as the Parliamentary Secretary pointed out, a growing protectionist mood in the United States, and that, particularly, is why the Prime Minister exercised leadership in attempting to address this very serious problem through the discussions in the attempts to negotiate a comprehensive free trade arrangement.

One of the components of that comprehensive trade arrangement is an effective and an adequate disputes resolving mechanism. I think the Premiers in their communiqué very much struck that point.

That is the essence of the long term solution. I know the Hon. Member likes to engage in *ad hoc* solutions. We are attempting to address this in a comprehensive way. If the Hon. Member would get onside and join forces with the Government, we could present a unified force and make our case that much better to the United States of America.

Mr. Axworthy: Mr. Speaker, to be invited to join a three year string of absolute failures when it comes to dealing with the United States is like being asked to jump off a cliff.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

DISPUTE SETTLEMENT MECHANISM

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in the communiqué, the Premiers specifically requested or demanded—

Mr. Clark (Yellowhead): Which was it, Lloyd?

Mr. Axworthy:—that any comprehensive agreement must include a binding arbitrary mechanism—

Mr. Clark (Yellowhead): A binding arbitrary mechanism? Come on now, Lloyd.