

*Supply*

**Mr. St. Germain:** I can assure Hon. Members that we know what is going on in this country. We will provide the leadership that we promised Canadians we would give them. I can assure the Hon. Members that the country is in good hands.

**Hon. Donald J. Johnston (Saint-Henri—Westmount):** Mr. Speaker, it gives me pleasure to spend a few moments this afternoon speaking in support of the motion of my hon. friend and colleague from Newfoundland. I had the opportunity of being here on Friday when we first learned of the quite extraordinary action taken by the President of the United States to impose a 35 per cent safeguard tariff against red cedar shakes and shingles which come from the Province of British Columbia. We have heard much about that this afternoon and we will hear much about it in the days ahead. What I would like to share with you and my colleagues present here, Mr. Speaker, is the mystery that surrounds what has taken place, the mystery of this 35 per cent tariff.

Canadians not familiar with the background of this action by the President will also be interested in joining with us in trying to solve this extraordinary puzzle. I hope, Mr. Speaker, as I put the facts to you, you will join with me in this exercise, although clearly I do not expect you to pass judgment or to furnish an answer and, as a matter of fact as my comments will demonstrate, I do not have all the answers either. I have some suspicions, but I do not have all the answers.

First, we are not dealing here with a "whodunit"; we know who did it. The President did it. He exercised his rights under Section 201 of the relevant provisions of the U.S. trade laws. He imposed the tariff with his own hand. We all saw him pull the trigger. This is not a smoking gun mystery. The question is not who did it, the question here is why he did it, which is one of the questions in the puzzle that we are called upon to resolve. What motivated this quite extraordinary action by the very apostle of free trade?

*[Translation]*

Perhaps I may repeat this for our francophone colleagues, Mr. Speaker. Last Thursday, on May 22, President Reagan decided to apply a severe tariff clause, covering a five-year period, to imports of Canadian cedar shakes and shingles, two softwood products.

Mr. Speaker, considering the President's ideas and philosophy on the importance of free trade today, how are we supposed to interpret this action? Against the background of the bilateral negotiations being pursued, this action was unacceptable, and we are trying to get to the bottom of this mystery this afternoon.

*[English]*

The first part of the mystery, which I intend to go into at more length, Mr. Speaker, is, why did the President impose the tariff? Why did he stab his buddy, his friend, his fellow Irishman, who shares the northern half of this continent as leader of a state, in the back? Why did the President go back on the so-called representations which the Prime Minister says

he has received over a period of time at the Shamrock conferences and elsewhere?

The second part of this mystery is even more intriguing. The facts have come to light over the last few days with respect to knowledge which the Government had on this potential action. Why was the Government surprised? Why was the Prime Minister surprised? Why was the Secretary of State for External Affairs (Mr. Clark) surprised when we now know that the Government had in its hand for nearly three weeks—in fact, the letter was dated May 7 from the Premier of British Columbia—a letter which warned that the President might indeed take this action?

I am sure that everyone in this House is puzzled. Everybody in this House would like to know the answer to the mystery, and I will come back to it, Mr. Speaker. The Secretary of State for External Affairs was quite explicit in the statements that he made on television over the weekend that he was surprised and that he was shocked.

Let me return to the first question. Why did the President of the United States impose this tariff on the day following the announcement of negotiations between Simon Reisman on behalf of Canada and Peter Murphy on behalf of the United States? Can we believe that the timing was accidental? I suppose one could always argue that in a Government as large as the U.S. administration it is possible that the left hand may not always know what the right hand is doing. I would say though that that is an unlikely answer to the mystery. I think we have to assume that the imposition of this tariff by the President in these circumstances, coming as it did at the very beginning of negotiations, was a negotiating tactic. What was it designed to accomplish?

I suspect that every Member of the House is familiar with many sports. Let us take football, for example. A tactic in football early in the game is to rough up the quarterback, intimidate him and make him nervous. In tennis, there are some tennis players who deliberately take the first opportunity to drive a ball right at their opponent when he or she is vulnerable at the net to shake him or her up, to intimidate them. We all know about the close pitch in baseball—intimidate the batter. I suggest to you, Mr. Speaker, that what might have been intended by this gesture was to soften up the Canadian Government, to let it see the claws of the eagle at the very outset of these negotiations. Of course, the Secretary of State for External Affairs suggested as much during his interview on the CTV program *Question Period*. I think that he probably believes, as does the Prime Minister (Mr. Mulroney), that this was not just an accident of timing but that it was timed very carefully to coincide with the launching of these bilateral discussions between Canada and the United States.

● (1640)

Think about what an extraordinary gesture this was, Mr. Speaker. Let us reflect upon the reaction of the Prime Minister to the imposition of this tariff. On Friday I questioned the