

Oral Questions

industry in this country before taking this approach? The Government did not consult all the provinces in advance of Friday. Does the Government know what the impact of a 15 per cent increase in stumpage fees will be on the domestic housing industry in this country? Will it be inflationary?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, may I just say that it is better to be a head waiter than a dumb waiter.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Foster: Pretty dumb answer.

Mr. Mazankowski: Pretty dumb question.

UNITED STATES COUNTERVAIL DUTY

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister. On October 1 the Minister for International Trade made a 10 per cent out-of-court offer in relation to the duty. On October 16 the U.S. Department of Commerce came down with a 15 per cent preliminary ruling. On October 21 the Minister for International Trade said:

First, we will fight to reverse this verdict.

We then learned last Friday that 15 per cent will be the new top. There are more mixed signals than one would find in the backfield of the Toronto Argonauts.

Does the Prime Minister stand by what the Minister for International Trade said in Vancouver, that 15 per cent this time is the top, the final irreversible offer by the Government of Canada?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the Hon. Member knows that these negotiations are taking place. An agreement was made between the provinces, which own the resources, and the federal Government on an approach to try to solve the problem. That is being undertaken right now.

SUBMISSION MADE TO GATT

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Prime Minister. On October 27 the Minister for International Trade said:

—we feel that this preliminary ruling by the U.S. Commerce Department has no basis in U.S. law, is badly flawed, and is inconsistent with the U.S. obligations under the GATT.

Will the Prime Minister and the Government continue this fight before GATT, or are we buckling under entirely?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the case before GATT is still going on at this time.

ANNOUNCED CLOSURE OF TERRACE BAY SAWMILL

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Prime Minister. This morning the president of Kimberly-Clark Canada called me to say that the sawmill at Terrace Bay, Ontario, was being closed. He said this is a direct result of the 15 per cent tariff. He also said that even if the 15 per cent were to be applied in a different way, as the Government has proposed in its approach to the Americans, sawmills all across northern Ontario would be closed and thousands of jobs would be lost. Why has he agreed to approach the Americans in this manner, rather than fighting that unfair 15 per cent, because we could have won?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I remind the House that the Liberals brag that they got rid of the problem in 1983. The problem did not go away. It is still here. We are proposing to try to solve the problem once and for all so we do not have it hanging around.

STUMPAGE FEES—EFFECT ON NORTHERN ONTARIO

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my supplementary question is directed to the Prime Minister. Is he aware that if the 15 per cent were to be applied to stumpage fees, it would mean a threat in northern Ontario not only to the lumber industry but to the production of pulp as well? Why has he decided to abandon northern Ontario? Is it because he knows he cannot hold on to those Tory seats anyway?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, on the contrary, we are not abandoning northern Ontario.

Mr. Penner: You are.

Mr. McDermid: We are not.

Mr. Penner: You are.

Mr. McDermid: We are fighting on their behalf to preserve those jobs—

Mr. Penner: You have abandoned northern Ontario.

Mr. McDermid: We are fighting to solve a very difficult problem that has been around for many years. The Hon. Member knows that.

Mr. Speaker: The Hon. Member for Winnipeg North.