

Oral Questions

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, first of all, let us just make sure that my hon. friend and I are on the same wavelength here.

We both agree that the subsidies code is in the agreement. There is a subsidies code in the agreement. My hon. friend is nodding. He would like to see some improvements in that. I also would like to see improvements in that but we have to get agreement.

Where we do have agreement is in the GATT. The proposals that have been made by Director General Dunkel on the subsidies code are very acceptable to Canada. We have participated fully in the negotiations there and that, I think, would answer the questions that my hon. friend has. I would encourage him to be somewhat patient. He will get a Uruguay round and he will get the subsidies code.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, my question is also to the Minister for International Trade.

Today in Washington, over 600 representatives of the American lumber and home-building industry are asking President Clinton and Congress to repeal the 6.5 per cent tax on softwood lumber.

• (1440)

This tax not only increases the cost of a home in the United States by over 4 per cent but it hurts every Canadian softwood producer and hurts every Canadian worker.

Will the minister ask the President directly to repeal this tax at the April 2 timber summit that is being held in Portland, Oregon?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, on April 1 I will be meeting with the U.S. trade representative Mr. Mickey Kantor. I will be raising the matter of the softwood lumber issue at that time.

I know my hon. friend realizes there is a process that must be gone through. We must respect that process on both sides. I know that he has heard me say many times in the House that there was no basis on which the softwood lumber issue should have been brought to a countervailing duty position.

The government has taken a very strong position on that. In fact what we have been doing since that time is

engaging in an advocacy exercise in the United States where we have gone to the home builders in the United States. I believe that our efforts have been instrumental in part in the positions that these home builders have taken and that he just referred to.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, a supplementary question to the same minister and on the same issue.

We both realize that the softwood lumber industry can be the one bright spot on the Canadian resource horizon if this government ensures that sufficient assistance is given to all of these areas.

I know that in my area alone we could create 1,000 new jobs almost immediately. Will this government make loan guarantees and other resources available to all of the sawmill operators throughout Canada so they can modernize and better compete in this vital industry that is absolutely hot? This government should be taking advantage of it today.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, my hon. friend thinks he has put all the facts, but I believe that it is not possible in Question Period. Let me draw a couple of others.

There has been almost a doubling in the price of lumber in the last year or so. There has also been a drop in the value of the Canadian dollar so that the returns to the lumber producers in Canada, including in his constituency, have increased significantly in recent months. They now have the cash flow and can do some of the expansions that he is looking for.

That together with the changes in the Small Businesses Loans Act that my friend the Minister of Finance has brought in, plus the drop in interest rates that has resulted from the drop in inflation, all combine to put in place an environment which is very very positive for investment in that industry.

* * *

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, my question is for the President of the Privy Council. In his absence, perhaps the government House leader can deal with it.