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market which Canadian producers need to plan and invest. It is also clear that the existing rules can be improved only through international negotiations and that there are two avenues along which negotiations can take place. One is bilateral with our principle trading partner. The other is multilateral under GATT. This Government is pursuing both actions.

As Members opposite are aware, the General Agreement on Tariffs and Trade is the current contractual basis of our trade relations with the United States. It represents a careful balance of rights and obligations. The GATT recognizes that subsidies may have harmful effects on trade and production. It, therefore, permits the application of countervailing duties in situations where subsidized imports are found to be injurious to domestic producers of the same product.

● (1210)

Detailed international rules were negotiated in the Tokyo round of multinational trade negotiations, rules aimed at ensuring that these countervailing measures do not unjustifiably impede international trade. That relief is available to local producers adversely affected by foreign subsidies. The Tokyo round also established an international framework of rights and obligations for countervail actions. Indeed, from Canada's perspective, one of the most important achievements of the Tokyo round was agreement by the United States to incorporate an injury test in its countervailing duty law. As a result, several longstanding countervail findings against Canada were wiped from the records. Both Canada and the United States have equipped themselves to exercise their right under the GATT to apply countervailing duties to protect their domestic industries.

A few moments ago I mentioned that the resolution which we are debating is naive and unrealistic. It ignores the facts. The countervailing duties which are currently being applied by the United States to our exports of live hogs and fresh groundfish are not the result of a political act by either Congress or the administration, but of a quasi-judicial proceeding under the U.S. laws and the rules of GATT. The only immediate recourse is through the U.S. courts, an option which Canadian producers concerned are currently pursuing. The U.S. administration simply does not have the authority to rescind a quasi-legal finding, whether it agrees with it or not. Similarly, I am sure the Opposition in this House agrees that it would be inappropriate, and indeed impossible, for the Canadian Government to reverse a decision by a similar quasi-judicial proceeding in Canada. We still respect the rule of law.

With regard to the threat of yet another U.S. countervailing duty action on softwood lumber, I have conveyed to the U.S. administration at the cabinet level the Canadian Government's strong objection to the initiation of another investigation. I have made it plain that Canada considers there are no grounds for the U.S. Department of Commerce to accept a new countervailing duty petition. The Commerce Department has already determined in 1983 that Canada is a fair trader in

softwood lumber and that there are no grounds for countervailing duties. There have been no significant changes since then in government policies and practices in Canada which affect our lumber producers and there have been no changes in American countervail law which would justify a new investigation.

Members of this House can rest assured that this Government is prepared to take all appropriate actions to defend Canadian interests in the event U.S. lumber producers try to countervail again, despite everything. It might be well to point out that the U.S. has no monopoly on countervailing actions. Canada too has equipped itself through the Special Import Measures Act to deal with injurious subsidized imports. We are determined in administering this legislation to ensure that Canadian producers can obtain relief from injury caused by subsidized imports.

The Canadian Import Tribunal is currently investigating whether imports of subsidized beef from the European Common Market are injurious. There have also been indications in the press and elsewhere that the Ontario Corn Producers Association intends to request a countervail investigation against corn imported from the United States. Canadian agricultural producers are acutely aware of the massive subsidies made available to the U.S. farmers by their Government. Should a countervail investigation be launched against American corn it would be the first such case involving imports from that country. Surely the Opposition would not suggest that Canadian producers should be unilaterally denied their right to seek relief from injury while the trade negotiations with the United States are under way.

Finally, Mr. Speaker, let me reiterate for the benefit of the Members opposite that the Government recognizes the threat posed by U.S. countervailing duty actions for Canadian exporters. The Government has launched a major initiative to negotiate a better framework for the conduct of our trade relations with the United States. The U.S. and Canada have the most extensive business relationship in the world. Because that relationship is so large and so broadly based there are bound to be occasional scrapes and abrasions in our business with each other. There have always been and there probably always will be. A key objective of these negotiations will be to negotiate better rules to resolve our disputes. These include rules to ensure that countervailing duty actions do not impede our exports to the United States or theirs to us.

If the members of the Opposition are genuine in their concern for Canadian lumber workers, they will lend their support to this important endeavour. Let me ask them one thing, Mr. Speaker. What would be the result if the House carried this resolution? Would it resolve the softwood lumber issue? I suggest it would not. Would it resolve anything at all, or would it simply be a sterile exercise in partisan futility like an angry hockey fan shaking his fist in the stands? I ask the Members of the Opposition to consider this question seriously for the benefit of Canadians, if not for the cameras.