

action is rescinded? Would the Minister also tell us whether he realizes just how serious the consequences of this kind of reduction would be to our pulp and paper industry in Canada?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, I thank the Hon. Member for his interest in a very serious trading problem for Canada. We have carried on negotiations at all levels, including involvement by myself as Minister, over many months with the European Economic Community in an attempt to reach a settlement which would be reasonable from the point of view of Canada's interests and from the point of view of our producers of newsprint. These producers provide a great number of jobs based on that market, particularly in the Atlantic Provinces and eastern Quebec.

Unfortunately the European Economic Community has been unable to come forward with a proposal which would be accepted. Against that background, I have finally turned to GATT for Canadian rights to be protected. A GATT panel, which will be fully presented with the Canadian case, will make an adjudication upon its merits.

What the European Economic Community has done is to establish an interim quota of 500,000 tonnes. That does not mean that 500,000 tonnes is the total amount that we can ship, or that there may not be some flexibility beyond that point. However, there was not sufficient flexibility to provide a figure which would be acceptable to me, and it is on that basis that I have taken action to protect the Canadian interest.

● (1140)

GOVERNMENT POSITION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I would like to know what the Minister has done to assure that GATT deals with this matter expeditiously so it can be resolved. It creates all kinds of uncertainty. As he knows, we ship more than 500,000 tonnes of newsprint to Europe, and the industry cannot absorb the proposed 10.5 per cent import tax. I would also ask the Minister what precipitated this action in the first place. Where is our system flawed in that we did not know this was coming on and we did not take the necessary steps to prevent this from happening in the first place?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, I want to assure the Hon. Member that if he had followed the issue and kept in touch with the unions and companies involved, or with my Department, he would know that we did indeed know the matter was coming on and that we did everything possible, through negotiations over a sustained period of time, to reach agreement with the Europeans. Indeed, we thought we were making substantial progress. Unfortunately they backed down from indications in that direction. I might say that the way the European community operates on some matters seems to indicate it must have agreement of all members, and it is the lowest common denominator, if you like, which may stop it from making a reasonable settlement.

Oral Questions

However, this was brought on primarily by the fact that the European community has entered into a special arrangement on trade with the Scandinavian countries which now gives special access to newsprint from that area into the European market. European producers themselves, pressing for some limitation on the amount which can move on a duty-free basis into their area, turned to the NFM situation. We, as the largest supplier outside of Europe, are the ones most affected by what they propose to do. We certainly do have to ship them more than 500,000 tonnes, and I am confident that this year we will do so. I am also confident that our position will be vindicated at GATT.

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EMPLOYMENT

WELFARE RECIPIENT—REFUSAL OF ACCESS TO GOVERNMENT SUBSIDIZED JOB

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for either the Minister of Finance or the Minister of Employment and Immigration, and they can handle it together if they wish. What possible explanation can there be for a person, having run out of unemployment insurance benefits and ultimately being forced on welfare, being refused the opportunity to take a job for which there is a wage subsidy paid? Why would it be that a person on welfare would be considered less acceptable to be employed by an employer receiving a wage subsidy from the Government, than a person who is on unemployment insurance?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I would like to know a little more about the context of the Hon. Member's question. If he is referring to a specific case, I would be happy to look into it. If he is referring to a specific program requirement, I would like to know which program he is referring to so I can look into that.

CASE IN WINDSOR

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, in Windsor the employment branch of the Ministry refused to allow a welfare recipient, who had been employed for eight and a half years as a janitor and ran out of benefits in November of last year, to apply for a job for which a wage subsidy was being paid. He was told: "If you are on welfare, you do not qualify". What possible explanation can there be for a person, having exhausted his benefits and being forced onto welfare, being refused the opportunity to take a job?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, it sounds to me as if either there is some selectivity or distortion. I am not arguing that there necessarily is.

Mr. Riis: It is your program.