

What has happened to softwood lumber in eastern Canada is an excellent example of why we should be discussing, with our neighbours to the south, the problems we are having with regard to trade.

Luckily, because of the efforts of the Government of Canada through the Department for International Trade, we have received an exemption for 85 per cent of our softwood lumber producers. However, there is still much hardship to be faced by some of these producers if we are not able to get a complete exemption for softwood producers of the Maritimes. It is a good example of what protectionist activity in the United States is causing to happen in Canada.

I hope those people who have been very critical of our efforts to reach a free trade agreement will stand up when the time comes, as we face more and more protectionist activity by the United States Congress against our raw materials and resources which are extremely important for jobs throughout Canada.

The Government should be commended for the efforts it has put forward and should be encouraged to get the door open so that we can continue with the talks which are so important to Canadians.

ORAL QUESTION PERIOD

[English]

TRADE

SUSPENSION OF CANADA-UNITED STATES NEGOTIATIONS— POSSIBLE REOPENING OF TALKS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Minister of Finance, in the deepened hope that we will be able to get some straight answers for a change in the House of Commons.

Yesterday the Prime Minister refused to give any indication of what might be the plan of the Government in relation to the negotiations that have been suspended with the United States. Yet, outside the House, the Prime Minister's press secretary surreptitiously slipped out information that meetings were being held at the highest level.

My attempt this morning is to see if we can get answers in the House of Commons and not through the sidelong glances of a press secretary.

Specifically I should like to ask the Minister of Finance is he undertaking meetings with Secretary of the Treasury Baker to speak explicitly about the free trade negotiations? Does he have a mandate from the Prime Minister and Cabinet to try to restart those negotiations?

In particular, will the Minister of Finance tell us what kind of concessions the Government of Canada is planning as a way of inducing the Americans back into the talks?

Oral Questions

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member should know that the meetings which I will be having this weekend and early next week in Washington are part of the regular annual meetings of the IMF, the World Bank, and the Group of Seven.

These meetings have been planned for a number of months, in fact years. There is nothing special about that. I will see Mr. Baker during the course of these meetings, but at this point it is strictly to talk about matters relating to the international debt issue, to the progress we have made in dealing with some of the problems with sub-Saharan Africa, to consider a proposal by the managing director of the IMF, and things like that that are related to the international debt situation.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my supplementary question is for the same Minister. I believe it is fair to say that he strains the credulity of the House and of Canadians generally to assume that he is to have a little tête-à-tête with Secretary of the Treasury Baker and not discuss the most important issue between our two countries at the present time.

What kind of guff are we being given this morning in the House? Will the Secretary of the Treasury and the Minister of Finance discuss the opportunity to start negotiations again, or has the Government clearly said that no further negotiations are to be undertaken? Why does the Minister of Finance not come clean for a change?

• (1120)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am being very direct with the Hon. Member. He may not like the answers I am giving him, but I am giving him direct answers.

There are no tête-à-têtes planned between Mr. Baker and myself. We will be meeting as part of the broader meetings of the Group of Seven, and at the IMF and World Bank meetings. That is the sum total of the meetings and that is the direct response to the Hon. Member's question.

CANADIAN POLICY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to raise another glaring contradiction that has occurred. The Prime Minister said in the House yesterday that he thought it would be inappropriate for him to meet with President Reagan. However, in an interview he gave to *La Presse* last evening, reported today, he said he thinks that maybe they should have a meeting. Furthermore, he went on to declare that the Government is prepared to water down its position on a dispute settlement mechanism—the mechanism does not have to be binding and it can be brought in gradually.

Is what is really happening right now that the only softening up that is going on is not with Americans but with the