

Supply

for some positive aspects with which the Hon. Member can feel happy as well as the people of Canada.

Mr. Axworthy: Mr. Speaker, I would first draw to the Hon. Member's attention that unlike he and his colleagues, when we say something we mean it.

Some Hon. Members: Oh, oh!

Mr. Axworthy: I want to draw to the attention of the Hon. Member what has transpired in this House in the last two weeks. There is a clear case that when we say something we mean it, but we are not so sure about the Government. When its members say something, we never know what they mean.

We are deeply concerned about what is taking place. We see statements by the Prime Minister not in any way in accord with the reality of what is going on. We are given those assurances and we are asked to take them at face value, but we then turn around and read a letter from the President of the United States who contradicts them. The Member says "Don't pay attention". Is this the new policy stance that you do not pay attention when the President of the United States puts something in writing that contradicts our own Prime Minister and his position? Are we not supposed to pay attention to that? Are we supposed to say: "Come on. Boys will be boys. They are just kidding". The President has made a commitment to the Senate Finance Committee. We know that he is insisting upon a deal on softwood lumber that will restrict imports, that will restrict the ability of our own industry to maintain its economic viability. That will be the price and the condition which the President will impose in order to get a trade deal. This Member has the gall and the nerve to ask Members to ignore that. God knows, we are in trouble.

The Acting Speaker (Mr. Paproski): Order, please. I regret to inform the Hon. Member that his time has expired.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, if I may very briefly, before I begin my speech, address one or two points made by previous speakers.

First, I would like to make it very clear to this House that as of now no countervailing petition has been filed in the United States against Canada's lumber. Second, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) seems to find it strange that discussions are being held independent of the Canada U.S. trade negotiations which will commence shortly.

The Hon. Member will know that Mr. Yeutter and I met last December long before there had been any agreement to the commencement of Canada U.S. trade discussions. At that time lumber was, as it is now, a serious problem between our two countries. It was agreed then that we would begin discussions to see what we could do to resolve the problems. Those talks have continued and are continuing. We have met monthly: January, February, March and April, and there is another discussion tomorrow.

It is nothing new that we are having discussions independent of Canada-U.S. negotiations. These talks were agreed to last

December and the agreement to them was made public at a press conference at the time. I was also questioned in the House. There is nothing new or untoward in the continuation of those discussions. Nothing is being given away. What both countries recognize is that there is a problem that must be addressed.

However, Mr. Speaker, I will grant members of the Opposition one point. Without any doubt, countervailing duty actions are a serious threat to our access to the U.S. market. They are a serious threat to Canada's economy. No Member of this House knows that better than I do, for I have had to spend a great deal of my time as Minister for International Trade fighting the various outbreak of protectionist rashes in the United States, and countervail actions are one of the most serious and chronic of them all.

In recent years, the U.S. Commerce Department has carried out countervail investigations on Canadian exports of softwood lumber, tubular steel, Bombardier rail passenger cars, live hogs and pork products, raspberries, and fresh groundfish and fillets. All told there have been six major countervail investigations since 1982 affecting billions of dollars of exports.

I would point out that an investigation, in and of itself, is not a sanction. Of these actions only two, the ones on our live hogs and fresh groundfish, have resulted in the application of actual countervail duties. At the same time each new countervail action, no matter what the outcome, takes its toll. Each one represents a threat to our trade, a threat that restrictive action might be taken, and each one must be fought, which brings on heavy legal expenses. On top of that, each new threat of trade restrictive action does real but immeasurable damage to the investment climate in Canada.

At the moment the U.S. has a large trade deficit. Congressional elections are coming in the fall and Washington abounds with rumours of new complaints aimed at Canadian exports. The loudest rumour is that American lumber producers will file another countervailing duty action against Canadian softwood lumber. If they do, it would be their second filing in three years. They lost the first.

Maybe I should give this resolution the benefit of the doubt. Maybe it shows the dawn of enlightenment. I would like to believe that, misguided though it may be, it at least shows that Members opposite finally recognize the need for a better set of rules for the conduct of our trade and economic relations with the United States. Maybe I am an incurable optimist.

The problem, however, is nonetheless real. The resolution we are debating today on the other hand is not. It is naive and unrealistic. What it would have us do is tell the American administration that if it does not stop its lumber interests from filing a countervail action, Canada will refuse to enter negotiations that might lessen the likelihood of all kinds of trade restrictions, including countervail, between us in the future.

It is clear, Mr. Speaker, that current international rules do not provide the certainty and security of access to the U.S.