

Canada-U.S. Free Trade Agreement

has been promised? It is without any provision for adjustments, with no promises made, with a very real danger because of mishandling of the subsidy issue, that any kind of action that the federal Government takes, that conceivably a provincial Government takes, is going to be regarded as one more unfair subsidy. What do Canadian workers have to look forward to in that kind of situation but a disaster that has been brought to them by the Mulroney Government?

So, recognizing the depths of disaster that could strike us, there is good reason to support this amendment, particularly Motion No. 39, get it into the Bill, as long as the Act is going to survive, and someone has noted the six-month termination clause. The Parliamentary Secretary was quite right. That is one that, at worst, we expect to see used. Let us get rid of the thing, if it ever passes, and get ourselves back to focusing on Canadian interests, building up Canadian strengths, as the Parliamentary Secretary has suggested we should do. He thinks that the deal will do it. I do not think that it will, but a Canadian Government certainly should be about those objectives. A New Democratic Government would do so.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to have a chance to speak on Motion No. 39, because I think it is the report of the joint Senate and House of Representatives committee which first alerted us to what was being planned for the surveillance and monitoring of Canadian industry. This ultimately resulted with the United States legislation passed as the Baucus-Danforth amendment, which provides for a whole new regime to intimidate and to monitor Canadian industry. This is a very significant development because there has always been that situation where we had to have a coalition of groups and companies and so on to petition against an industry in Canada and to be willing to put up the money to do it. Certainly, in the free trade deal and the Baucus-Danforth amendment that whole situation changes.

In the softwood lumber case, for instance, we had the American Coalition for Fair Lumber Pricing that had to hire lawyers and assemble a group to petition the United States Government and to carry that petition through the Department of International Trade Commission to the Department of Commerce and so on. On the Canadian side, we had to do the same thing. The Canadian Forestry Association spent as high as \$5 million or \$6 million on reports to fight it through the courts, under this United States amendment, the Baucus-Danforth amendment. Now they will not have to go to all that expense, and it is very expensive. They will simply have an industry petition the United States trade representative to carry out an investigation, so there will be constant harassment regardless of how much injury there is or how much difficulty there is for the Canadian industry concerned. This is really the problem with the free trade deal. It is a bad deal as far as Canadian exporters are concerned.

At the present time with the GATT provisions, if an industry is going to be assaulted with a countervail or a dumping duty, if the case is strong against it, two weeks after

the petition has been filed one can go to the GATT and get a ruling, sometimes within four or five months. Many of our petitions have been very successful to the GATT over the last few years. Yet, with the free trade deal, we sort of set that option aside. I know that the Government will argue that it is still possible to go to the GATT. In the instances of the GATT ever hearing a case where there are two consenting partners in a free trade deal hearing a case, it just does not happen, and it will never happen. The difference for the Canadian industry is that when one goes to the GATT, the Government pays the shot.

When one fights it through the United States International Trade Commission, the Department of Commerce, to the International Trade Court, one pays the shot. It is any forest product that operates in my riding or the softwood lumber companies that operate in your riding, Mr. Speaker, that paid the shot in 1985 and 1986 on the softwood lumber case. They were shot down by their own Government about a month before the deal was consummated, by withdrawing the petition and the complaint to GATT. That is the way that the deal is going to be in the future.

If a Canadian industry has a countervail or dumping duty against it, what it has to do is get all other sectors of the industry to put together the money to fight it through the United States trade dispute mechanism and ultimately to the binational commission, which will have no power to rule on the law itself but just to see if the law was applied regularly and whether they were in conformity with the precedents and the practices in the case.

Members of the Reagan administration, which practically privatized the whole system of government in Washington by increasing the number of lawyers from something like 20,000 to 45,000, are just rubbing their hands in glee. They know that never again will a Canadian group be taking something to the GATT, paid for by the Government and Canada and accompanied by its lawyers. They will be going through the whole legal rigmarole in Washington at tremendous expense, for a longer period of time. Besides going through all the steps of the International Trade Commission and the Department of Commerce, there is up to a year beyond that for the binational commission.

● (1640)

What the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) is attempting to do is say: "Look, if you guys in the United States are going to set up a deal where any industry can just petition the U.S. Trade Representative's office and start a harassment of the Canadian industry, if that is sauce for the goose then it is sauce for the gander, and we will have the same thing for Canada." That is what the amendment before us today does.

I cannot imagine why the Government would not want to give our industries in Canada the same powers. They would not be used very often because most of the harassment is by