

through the dispute resolution mechanism under section 18 of the free trade agreement.

That is how we find ourselves in this position today. All we have heard from the other side of the House throughout this entire debate and for the last two years is what we have gained in this free trade agreement. What we have gained in the trade agreement as it relates to the softwood lumber industry, to our sawmills and to our employees in the sawmills in this country, is simply a method of settling disputes which we had before the trade agreement. We were successful in negotiating those agreements under GATT, very successful, prior to the trade agreement.

That is where we stand today. We did not make any gain. It is a smoke screen when we say that this dispute settling mechanism that we did not have before is what we gained. That is sheer folly. We did have a very adequate dispute settling mechanism that worked to the benefit of all countries.

In my research for this little talk I discovered that there is only one country in the world that has ever brought a countervail against Canada, only one country in the world. That country is our friend the United States of America. In the entire history of the GATT only one country in the world has imposed a countervail duty on Canada and that is the United States of America.

The issue we have before us is supposed to be the softwood lumber industry. Before the memorandum of understanding the United States imposed a 15 per cent surtax on all the lumber we produced in Canada and exported to the United States. By their own admission—and we said on so many occasions that the 15 per cent surtax was an unfair one. We thought it should have been zero. We were quite willing to fight that dispute and take it through the GATT process, but that was now prevented because of the trade agreement. In its new calculation we see how it arrived at 14.48 per cent.

Although I am very concerned about northern Ontario and all the sawmills there, the province that is truly being hurt by this agreement today is British Columbia. In its calculations its stumpage is 6.88 per cent. With that 6.88 per cent and the real issue being logs, what happened is we refused to ship our raw products to the United States for manufacturing so it can then ship them back to us. The dispute is truly centred around the logs.

### *Softwood Lumber*

Having said that, I want to offer this to the House and I do it with a certain amount of respect. I wish they would understand. There is only one thing we can do at the present moment in Canada to get us out of this terrible situation we find ourselves in. I want to end my speech on a positive note. This is not the first time things like this have happened.

In 1971 when the Americans imposed a surtax of 10 per cent on all exports from Canada to the United States, under Jean Luc Pepin we passed a law in this very House of Commons called the Employment Support Act. It had to do with raw materials that were converted as well as manufactured goods. It is a simple act. It is only five pages.

The act is administered by the Minister of Industry. It states what happens if we convert raw materials into another product for export. The purpose of the act is to provide a means by which to support levels of employment in Canadian industry when other countries impose—in this instance being the United States of America—temporary import surtaxes or take other actions having a like effect that adversely affect employment in Canadian industry.

I say that they should set up a board as the act calls for. I wish there were as many people looking into this program in the sawmill industry.

I will just take another minute, Mr. Speaker. Just let me read this section. "Upon application therefore to the board by a manufacturer who establishes that the workforce at his plant is or is likely to be significantly reduced through layoffs during a specified period by reason of the application of measures taken by other countries, that they can make an application and their application will be heard".

I implore this government to take immediate action to employ the Employment Support Act.

[*Translation*]

**Mr. Gabriel Desjardins (Témiscamingue):** Mr. Speaker, it is with great interest that I join in this emergency debate tonight. I must say though that it is not with great pleasure, because it is the third time in about 10 years that this debate has come up in our country. I must tell you that, on October 21, 1986, I made a statement here, in this House, about a preliminary decision by the United