

*Softwood Lumber*

estimates from B.C. ministry of forests are that over 7,000 jobs were lost in British Columbia alone.

The accelerating integration of mills, that is bigger mills swallowing up smaller operators is a dramatic change in policy in British Columbia and particularly in my area. Our industry was hit by dramatic changes within the province from which it is still reeling.

In northern Ontario exports to the United States are down by 45 per cent. The memorandum of understanding was a big mistake and was the forerunner to the problems we are in now with the United States.

We supported the decision of the government to scrap the MOU because clearly it is a question of sovereignty and our right to be able to manage our forests the way we want to and not to be dictated to by Washington, D.C.

I know the message Canadians are telling their members of Parliament. It is clear the free trade agreement is failing Canada. It seems we have more disputes now under free trade than we ever had. They are either ongoing or have been dealt with. We have had disputes over salmon on the west coast, magnesium, lobster, aluminum, beer, pork, plywood, automobiles and now of course, we are dealing with perhaps the trade issue between Canada and the United States and it is softwood lumber. If we take a look at the record and the facts in this particular softwood lumber case, it is a particular concern just exactly how vexatious, to use the words of the Prime Minister, that the Americans are being on this particular issue.

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I would like to quote an article in the March 6 edition of *The Wall Street Journal*, written by Mr. Gordon Ritchie, who was formerly the Canadian ambassador to the U.S. and deputy chief negotiator of the free trade agreement. Let us take a look at what he says:

In a further example of the kind of treatment that has astonished America's Canadian friends, the Commerce Department summarily refuse to consider 323 of 334 routine applications for duty exclusions filed by Canadian companies unconnected with any program being investigated in the softwood lumber case. The Commerce Department said it did not have the time or the resources to consider the applications.

They have certainly had the time and resources to start a trade war with Canada over softwood lumber. Further, quoting from the same article: "Still not satisfied, the administration—"

It is not just the functionaries that the Prime Minister is talking about. If it is just the functionaries, who is running the government of the United States? It is the Prime Minister's friends obviously. President Bush clearly has to call some functionaries into his office to straighten them out and tell them who his big friend is up north in Canada and to just to lay off a little bit.

Let me quote:

Still not satisfied, the administration invoked the draconian provisions of section 301 of the Omnibus Trade Act of 1988—often brandished but never used against either Japan or Europe—to impose customs liabilities on Canadian lumber, even before any preliminary determinations of injury or subsidy were made. This action clearly violates American obligations under the General Agreements on Tariffs and Trade and the Free Trade Agreement.

These are our great friends to the south, our great trading partners. They are making these kind of decisions prior to any determination from their own commerce department. It is a pretty clear indication from the government of the United States just how it treats the free trade agreement and how much care it really gives to the Canadian government and its views on this whole particular issue.

The Conservatives say do not worry, free trade will save us. Of course we have had some time for the cabinet to consider this particular issue. It has had months. It has had weeks, knowing that this decision was impending, but there is a sense of the quiet before the dawn. Do not worry, this whole thing will not happen. We have the free trade agreement. That is going to save us because we have the dispute settlement mechanism and that is going to solve all of our problems.

The government did not use the time, it would seem, to build bridges with the homebuilders' associations in the United States that are now working on our side to make the point to their own lumber interests and their own commerce department. It was not this government, it was the government of British Columbia and Premier Harcourt who made overtures to the governor of the state of Washington on the log export policy. On that one we have a clear position. It has been the government of British Columbia that is leading that fight, not this