

Supply

Three weeks ago the United States administration agreed to start comprehensive negotiations, but today it agreed to support a countervail action on lumber, an action which will have devastating effects on that industry. How can the Americans start negotiating to reduce countervail powers and then three weeks later clearly signal that they are going to continue to use those countervail powers to protect their own industries in the United States? We should have known this.

Last week, in a television interview, Peter Murphy, the chief U.S. trade negotiator, said it is highly unlikely that they would even consider negotiating countervail powers.

We can look at this from an historic point of view. When the United States negotiated a so-called free-trade agreement with Israel it excluded any limitation on United States countervail action. What the Americans got from the Israelis in return was an agreement to limit subsidies down the road, but the Americans did not concede, give up or surrender any limitation whatsoever on countervail action. That is why we have been making the case that the best way to ensure against unfair countervail action is to strengthen the GATT process under the multilateral system, a system which clearly defines subsidies according to international standards, not standards set by the U.S. industry alone. Yet this Government has gone against that particular stand and argues that if it gets a deal with the Americans first, then it can try to incorporate it in the GATT. Why is the Government giving up what it already has as a more effective protection rather than trying to strengthen it through the multilateral international system? That is the way to deal with the problem of countervail and subsidies, the two major issues at the heart of the trade negotiations.

The Government has gone topsy-turvy. It is going the wrong way. It is heading off in the wrong direction to achieve its goal. As a result, it is contributing to the weakening of the GATT process. It is contributing to the erosion of the international trading system through a clear declaration that it is putting its bucks on the development of a bilateral continental trade agreement that will be discriminatory against other nations. That is the real problem we have with the trade position.

Not only is the Government a poor bargainer and negotiator because it gives away everything and gets nothing in return, but the option it has chosen to secure Canadian markets in the United States and elsewhere is the wrong option. It has surrendered a basic foundation of Canadian trade policy, the utilization of the multilateral system as the most effective means of protecting Canadian interests as opposed to relying on a continental bilateral system. That is the fundamental problem and that is why we are going to be paying a very heavy price in the negotiations.

What we see on the table today is that the Americans feel free to give all kinds of broad endorsements to a comprehensive negotiation as long as they can force this country to get into separate negotiations or make separate concessions on the problems that are the real irritants.

• (1150)

Last summer a Commons-Senate committee was asked by the Government to study the trade issue. It made a report to the House which was endorsed by all members of all Parties. It contained a very clear warning to the Government. It indicated that the irritants must be resolved before we started the comprehensive negotiation, or we would be held up for ransom. That was the recommendation of Conservative Members, New Democratic Members and Liberal Members of that committee. The Government chose to ignore the recommendation of that all-Party group and went ahead on its own sweet way.

What do we have in front of us now? It is a very clear contradiction. The American President, the U.S. administration, and Congress are short-circuiting and are demanding satisfaction on the lumber issue. This puts in jeopardy a major industry in Canada. The Government's panacea, which was to get into the comprehensive negotiation, has been put aside until that is resolved, clearly in the words of the United States President.

Mr. Benjamin: We have been had again.

Mr. Axworthy: That is right. Once more we have allowed ourselves to mistake hard-nosed bargaining for good intentions. As a result, not only the people in the lumber industry will pay the price, so will the entire country.

Mr. Brisco: Mr. Speaker, I have painfully listened to the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). I should like to make a couple of comments and to direct a couple of questions to him. I think he should be singled out as probably the most anti-U.S. Member of Parliament in the Liberal caucus. I certainly get that impression from his comments, not only today but in the past.

There was the absence of a reference to trees in his last sentence or two, a very substantive part of the debate. I do not think the former Minister is too well informed on trees in any event. He made reference, and unkindly so, to mushrooms. I will leave that one alone. Clearly the bottom line is that he and his Party demonstrates an absence of intestinal fortitude when it comes to the subject of free trade. It is an anti-U.S. syndrome. It is an anti-intestinal fortitude syndrome. He wants everything our way. His negotiating process is 100 per cent our way and zero the U.S. way. There is no accommodation; it is our way or no way.

The Hon. Member expressed rightful concern over countervail. I share that concern, as did the Hon. Member for Kamloops—Shuswap (Mr. Riis) who led off the debate. Countervail should be on the table, and all elements of it should be removed as a starting point. What would he do with the Canadian countervail? What position do we take *vis-à-vis* potato growers? What position do we take with berry farmers? What position do we take with apple growers? What position do we take with the silver, lead, and zinc industry? What position do we take on those issues which have caused the United States to respond, and what position do we take on the