

*Supply*

I would like to spend a moment talking about what I think is perhaps the most important part of the resolution, and that is the need to invoke as quickly as possible the protections we have under the international trading rules. This Party has taken a very clear position on trade. We have said that the most important way to offset the increased protectionism in the United States and other countries is to rely upon international trading rules. We think the Government has made a vitally flawed strategic mistake in its over-emphasis and obsession with bilateral talks because it has ignored the kind of rules written into the international trading system.

The genius of Canadian trading strategy since the Second World War is that we realize in trying to deal with the very large country beside us that it is an unequal balance, it is asymmetrical, and the best way to protect ourselves is to have other countries of similar size and interests writing laws and rules and applying standards which would control the muscle of the big powers. This Government consciously abandoned that choice. It gives lip service to it, but if one examines statements made by the chief trade negotiator, the Minister for International Trade (Mr. Kelleher), such as, "GATT does not really work very well any more, it takes too long, we cannot trust it", and other things, one can see that the Government has placed the reliance and importance of the international trading system off from the central focus of our strategy. It is now secondary. It is now an after-thought.

The fact is that both the shakes and shingles case and the softwood lumber case prove the incredible value of GATT itself. First, because shakes and shingles were left off the GATT list, the Americans had the right, as we found out, to impose unilaterally the kind of tariff it did. Second, the best protection we have against the U.S. action is to invoke the rules of GATT because we have already fully paid our dues to the Americans and others at the last GATT round for free access of our lumber. We brought down our tariffs on over two-thirds of our manufactured articles. We paid our bills. We have already signed a contract. It is the Americans who are threatening to break that contract and who are charging new subsidies, new damages.

That is not only a threat to the Canadian softwood lumber industry, it is a threat to GATT itself. Once again the United States is showing a disregard for the rules which were established by believing they can shortcircuit those rules. That is why the bilateral thing is a danger. It opens up the invitation to shortcircuit GATT. It opens up the invitation to deal one on one, to do things bilaterally or unilaterally. We have opened up a Pandora's box in this case. We can close that box by once again reasserting our belief in, our commitment to, and our usage of the GATT rules, and we should be doing it now.

The Secretary of State for External Affairs said: "Perhaps in the future, down the road, down the hatch", but that will be too late. We found out in the shakes and shingles issue that if we wait too long the door is closed and there is no way of recourse, no way of coming back. So it would seem to me that one of the most important and vital decisions this House can take is to clearly place our commitment on that GATT process and ask for a convocation of the GATT Council, of the

contracting parties, to bring our complaint forward so we can start the early preliminary discussions of consultation. If the time comes somewhere down the road when we receive a ruling from the Department of Commerce and the ITC that not only is there injury but they are now claiming subsidy, then we had better have GATT ready with a dispute mechanism in place, because if we wait for four or five months it will be too late, it will be all over.

We should be at the GATT Council today asking for its participation. That would once again show that Canada, which has taken the lead for decades in reforming, enhancing and strengthening the GATT system, strengthening the international trading system, and using its rules, is once again onside. There are a lot of countries out there who are now saying that Canada is scurrying for cover by going into the Canada-U.S. negotiation, that we are looking for a way out. There is a message being circulated that if Canada, traditionally one of the great defenders of the international trading system, is now looking for some sanctuary in a regional continental system, then perhaps we had better start looking for cover. As a result, we will have an erosion of the entire system. We have a chance to correct that. We have a chance to turn it through protection of our own interests, which is clearly called for in this circumstance.

We should be using the GATT system, making it work for us, clearly saying that those threats of the United States calling our activities on lumber a subsidy, is a clear contradiction of those rules. We would also be doing something very important in strengthening the over-all system, putting that once again front and centre in our trade strategy. We should put the reinforcement and strengthening of the international system as a number one priority, as the most important part of our trade strategy.

That does not mean we do not continue to negotiate with the Americans. Of course, we do. We should have been negotiating with them months ago on shakes and shingles. We should have been using our influence in those areas. But because of the grand design, because of charge of the life brigade the Prime Minister has been advocating, the full steam ahead, damn the torpedoes attitude, we are going to be cut to ribbons. We must get away from the life brigade attitude. We must extricate ourselves from that fool-hardy risk taking about which the Prime Minister likes to talk. No one likes to take fool-hardy risks. We should be prepared to take chances, but should do so with intelligence, with smarts and from experience. We should not rush off charging against the barricades when we do not have the proper tools behind us.

As a Liberal Party and as a Liberal caucus, we know we have the tools, we have used them in the past and we can use them in the future. Our best chance of fighting off U.S. protectionism, of enhancing our market access, of encouraging a brand new era of trade, is to do what Canadian have always done, and that is to use the international trading system to our benefit and to the benefit of other people in this world.