

*Softwood Lumber Products Export Charge Act*

I heard the Parliamentary Secretary say that we did not lose our sovereignty. It is interesting to see the process we are now going through. The United States Government and the United States lumber industry is saying that they will not negotiate changes in the agreement until we pass the Bill. Even the Minister for International Trade has almost come to her senses and said that she thinks the Americans are violating the spirit of this agreement. On the other hand, we are faced with the comments of the famous Mr. Dennison who says that they will not negotiate anything until the legislation is passed. Then, according to the Vancouver *Sun* of April 9, 1987, he said that nothing will be done until the legislation is passed. He said that there are changes the coalition wants too and that there are companies completely excluded from the tax that do not deserve to be excluded. He said that some of them are just wholesalers and he thinks they will want to take them off the list.

The Government is in fact asking us to give it a blank cheque removing the leverage provided by this legislation so that the Minister for International Trade, who at this point might be on the shores of the Fiji Islands will have her negotiators begin negotiating with the Americans so we will have to give up more than we gave up originally. We know the kind of negotiation of which the Minister is capable, and that is simply to surrender.

Now we are faced with what can only be called a form of international blackmail. We are told to pass the Bill so that the American industry can be totally satisfied that it gets everything it wants. It is prepared to negotiate after that, but it has taken a new bargaining position which is that it wants to eliminate companies that have already been granted exclusions. We are in a classic Catch-22 situation.

The Parliamentary Secretary wants a further explanation. Perhaps he is busily involved in matters of great substance, so let me repeat for him that Mr. Dennison, the chief lobbyist for the U.S. lumber industry, has said they will not do anything until the legislation is passed, and then he went on to say that they want changes in the legislation and the memorandum of agreement because there are Canadian companies completely excluded from the tax that do not deserve to be excluded and they want them off the list. That sets off warning bells suggesting that the next stage of negotiations will be one further stage of retreat.

**Mr. McDermid:** Oh, oh!

**Mr. Axworthy:** Apparently I struck a funny-bone in the arm of the Parliamentary Secretary. How else would he explain that when the original negotiations took place, certain companies gained exclusion and others did not? According to the brief presented by the Maritime Lumber Bureau, 57 per cent of them are facing a loss of close to 4,100 jobs because the Government did not do an effective job when the original negotiations took place. That is hardly a laughing matter. It is hardly something that would cause great hilarity.

We are now being faced with the obvious conclusion that one of the results of this negotiation will be that Canadians will lose jobs. Members of the industry have detailed exactly how that will happen. In the remanufacturing industry, 300 or 400 lay-offs are taking place in British Columbia already. A number of firms have already indicated that they will move their operations to the other side of the border. They say they are doing that because when the Government negotiated this, it held no consultations with the industry and somehow forgot to put them on the list.

Let me remind Hon. Members of the incredible mistake that was made during negotiations to compound the injury. When the original countervailing duty was imposed, U.S. authorities made it clear that the value-added portion of any remanufactured product would not be included in the assessment of duty. The Minister for International Trade was such a great negotiator that she managed to include Canadian secondary lumber manufacturers in the deal, and the tax is now imposed on them. That \$500 million industry was put in jeopardy because of the skill of that negotiation. That has to go down as one of the most brilliant negotiations in the annals of Canadian commercial relations.

This amendment seeks what we have sought throughout, and that is, to say that it is proper for the Parliament of Canada to assert its own right to protect its own citizens. If we are as sovereign as the Parliamentary Secretary has said we are, then surely this Parliament has a right to say that Canadian businesses and citizens will be hurt by this agreement. Therefore, we have a right to make an amendment that will protect those businesses and citizens against the mistakes that were made in the original negotiations.

I would only say to Hon. Members opposite that it is beyond belief that they could vote against such an amendment when that is its clear purpose and intent. Perhaps they are basically saying once again that that memorandum of agreement so circumscribes the powers of Parliament that we do not have the right to defend our citizens and to offer them the kind of protection they need against the stupid actions of the Government.

**Mr. Deputy Speaker:** Is the House ready for the question?

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** The question is on Motion No. 9 standing in the name of the Hon. Member for Skeena (Mr. Fulton).

Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Deputy Speaker:** All those in favour please say yea.

**Some Hon. Members:** Yea.