

*Supply*

free trade on one side and highly protectionist actions by both countries on the other. Is this Jekyll and Hyde we are playing? Are we playing some kind of strange game of schizophrenia in our policies? Is it not important that there be some consistency, that we not be subject to these mental aberrations in our trade relationship?

The retort has been, if we were not negotiating things would be much worse. How could they be any worse? If you add up the actions over the last ten days there have probably been more countervail actions during that time than in the last ten years. Those negotiations have not exactly given us a free ride, an open sesame or an exemption against American countervail. They have hardly given us the kind of warm, comfortable exclusion that we wanted. We are a target. We are right in the gallery and we are being shot at.

What have the negotiations brought us so far? What they have brought us is one hell of a pile of trouble. How do you defend that as a strategy? Let us talk about this issue of countervail, because I think that goes to the very heart of the whole trade negotiations. All the advocates from the Royal Commission on down to the Chamber of Commerce, the C. D. Howe Institute, all those wonderful economists that the Leader of the NDP talked about, those new economic wizards, which is the fastest growth industry in Canada at the present time, the proliferation of TV spots by the economic soothsayers on our so-called think tank have all said we need to negotiate in order to protect ourselves against continual harassment. If we do not negotiate we will not be able to withstand the protectionist pressures. If we do not get some change in the countervail, if we do not get some limitation or alteration in American trade laws through which their industries can exercise a whole series of trade actions against Canada, there is not much point to the negotiations. I agree with that absolutely. If you are going to negotiate in order to offset the protectionist forces then you have got to tackle that central fundamental issue of the countervail. What have we seen over the past two or three weeks? What kind of good faith has been shown? That is why the position of the leader of our Party, as of several premiers, in relation to the exercise of that countervail power on the shakes and shingles, and now the action that is being taken on softwood lumber, has been that we should have a joint undertaking by both Governments that during the period when we are talking about how to limit that countervail they will be held in abeyance. We will at least make our best efforts to set those kinds of harassment actions aside so that we can bargain in some good faith.

What have we heard? As I understand it, when the Minister met with his counterpart, the Secretary of State of the United States, he indicated it is just not on the table. What does that tell you about their answer to countervail? President Reagan said in a letter to Senator Packwood when he was buying his deal for the free trade negotiation, "This will not affect the countervail powers". The U.S. Congress has said this will not affect countervail powers.

The question I ask is, what is it we are negotiating for? What kind of an incredible price will we have to pay in order to provide for some slight modification of those countervail powers? That is the real key question that should be answered by the Government at this point in time.

The warning signals have already been set. We have seen the incredibly potent and damaging impact those countervail powers can have. Rather than looking for other options, by trying to reinforce and strengthen the international trading system, the GATT system, putting our resources and efforts there to deal with countervail, which has been the basic Canadian genius I think in the last 30 years to protect ourselves through that multilateral international forum against countervail powers, we have decided that a bilateral route is more effective, and now we see what the end result has been. It has resulted in an increasing number of countervail actions, and ourselves being put on the defensive, sort of in retreat, on that very issue alone.

Because of the Government's failure to deal with the plight of the workers in British Columbia and the fundamental flaw in the strategy that has been approached, and the lack of discussion and debate in this country, I would like to amend the motion presented by the Leader of the NDP. Therefore, I move:

That the motion be amended by deleting the period and by adding the following:

and for its failure to assist Canadian workers who are adversely affected by such unilateral actions.

• (1150)

**Mr. Cook:** Mr. Speaker, in the course of his rhetoric, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) said that there were specific things that the Government has given away before the negotiations. Will he specify what we have given away before negotiations?

**Mr. Axworthy:** Mr. Speaker, I thank the Hon. Member for his question. I only wish I had the full amount of time to provide all the particulars.

**An Hon. Member:** You have 10 minutes.

**Mr. Axworthy:** That is exactly what I will do, if the Hon. Member wants. I will take the full time to answer him properly.

The first give-away was the issue of foreign investment review. This was an area of dispute where the Americans demanded some retaliation because they felt it was imposing undue burdens upon their industries. The Government that was elected in 1984 agreed with that position. Surely when changing foreign investment review the Government might have found some basis for determining what kind of investment changes would be made in U.S. practices which have their own limitations. What position did the Government take as a prelude to negotiations in terms of providing for wider investment reviews?