

helpful. It was service beyond the call of normal duty between Christmas and the New Year. I personally want to thank the members of the committee for their cooperation.

Some Hon. Senators: Hear, hear!

Motion agreed to and report adopted.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Lowell Murray (Leader of the Government, Minister of State for Federal-Provincial Relations and Acting Minister of Communications): Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(b), I move that this bill be read the third time now.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

Hon. Raymond J. Perrault: Honourable senators, this is a momentous day for Parliament. Perhaps in the history of Canada, this represents one of the most important initiatives ever undertaken by a government and considered and debated by Parliament.

I should like to be able to say that I welcome this measure with rapturous joy, but I am not. I think we would all feel better had this measure received a much stronger endorsement in the recent national election. I come from a province where over 60 per cent of the people voted against the government, primarily because of the trade initiatives represented in this measure.

● (1310)

Senator Denis: You are not alone!

Senator Perrault: I could not remain silent in my place without expressing my concerns on behalf of the people of my province who are gravely worried about the ultimate implications of this measure as far as their welfare is concerned.

Mr. Reisman came to British Columbia a few weeks ago and he said, in effect, that, in retrospect, he thought it would have been better if we had been tougher with the Americans and we had been able to negotiate out of this 15 per cent impost against softwood lumber in the province of British Columbia and in other provinces. He regretted that we were not able to do it, but we had had to put something on the table.

British Columbia derives 50 per cent of its income from our forest industry, and it is an important element in many other economies in other provinces across the country. The federal government collected \$423 million under a special export tax on softwood lumber headed for U.S. markets during 1987 and the first three months of 1988. That \$423 million impost was a punitive measure demanded by the U.S. and aimed against the softwood lumber industry of Canada, without any kind of rationale behind it. The impost is enshrined forever in our trade relations with the United States. We could have won

remission had we fought more strenuously to eliminate this unfair burden on certain provinces of this country.

A few weeks ago I asked one person in the forest industry why he supports this trade deal, when it looks as though we are not going to be able to extricate ourselves from this 15 per cent impost. He said, "Frankly, we are afraid that, if we do not support it, we are going to get something worse." What a reason to support a measure—"If we do not vote for it, we are going to get something worse!"

Yes, and President Reagan said the other day that he has decided to maintain the tariff on Canadian cedar shakes and shingles, which is another measure aimed at an important sector of the industry in Canada. Free trade? This is not the definition of free trade that I have supported for years. We may have a free trade deal in words, but in actual fact it does not mean anything so far as certain industries are concerned.

Members of this chamber and the other place have talked in terms of implementing the findings of the Macdonald commission on Canada's economy. The Honourable Donald Macdonald has been cited as a great supporter of this trade deal. I hope that senators read the article in the *Globe and Mail* a few days ago by Mr. J. G. Godsoe, the Halifax lawyer who was executive director of the Macdonald commission on Canada's economy. He came out against the Free Trade Agreement and said that this was not the trade deal recommended by the Macdonald commission; there are serious omissions.

Honourable senators, we talk in terms of the skills of our negotiating team and how our canny Canadian negotiating team outmaneuvered the Americans. Mr. Reisman has said on more than one occasion that some of the Americans did not know what they were doing.

In the October 22, 1987, edition of *The Toronto Star* there was a story, which was also carried in other publications, saying that Clayton Yeutter, the U.S. trade representative with a reputation for insensitivity towards Canada, is reported to have boasted to top American officials that Canada emerged the big loser in the negotiations. He is quoted as follows:

The Canadians don't understand what they have signed. In 20 years, they will be sucked into the U.S. economy. So-called "knowledgeable" U.S. sources quoted Yeutter as telling senior treasury department officials that these remarks were made after the free-trade deal was reached earlier this month. (*October, 1987*)

Yeutter allegedly made the remark in the so-called "heady hours immediately following the marathon two-day negotiating session that produced the final agreement". Of course, ultimately Yeutter denied making such comments. He said, "They are absolutely false. They represent the exact opposite of my thinking." However, to quote the *Star*, "the U.S. sources, who asked not to be named, are considered impeccable. They were heavily involved in the talks, are extremely close to the U.S. Treasury Secretary, James Baker, and were privy to confidential conversations and documents."