

*Softwood Lumber*

The United States was not prepared to concede to any tribunal or third party the opportunity to pass judgment on U.S. trade practices. The basic reason the United States government chose to make that a condition of the completion of the free trade agreement was that it would not subject its own subsidy practices to the surveillance or consideration of any third party or any impartial tribunal. The major flaw in the free trade agreement is that there is no provision in the agreement for the definition of subsidies or for the treatment of subsidies in an impartial tribunal considering whether there should be penalties for such subsidies.

That is the basic flaw in the case of the softwood lumber question we are considering this evening. It is equally the basic problem in the question of the export of the North American content of Canadian-built automobiles being exported to the United States.

The government chose in its wisdom or in its folly to complete an agreement which was in effect incomplete. The government said: "We will not pursue the matter of subsidies with the United States. We'll leave that question aside, recognizing of course that it is a major question, but we will leave it aside hoping that somehow the GATT will reach agreement and offer to the United States and Canada a definition of subsidies which we can later insert into the free trade agreement".

That theory may be fine. It may be a good idea but unfortunately the world goes on. Questions arise on subsidies in the meantime. Questions arise on counter-vail. Questions arise on penalties for subsidies. We see that inadequacy of the free trade agreement increasingly today. We see it in the issues of softwood lumber, we see it in the issue of automobiles. It is a result of the failure of this government to reach an agreement on subsidies and how those disputes on subsidies should be settled through an impartial panel with binding powers.

The result is that the government has chosen to use a bi-national panel which has no binding powers unless the two governments choose to recognize a binding requirement. The further result is that Canadian exports are subjected to harassment and unfair trading practices without any immediate appeal to those practices. The result is that Canada is at a severe disadvantage in the Canada-U.S. Free Trade Agreement.

I ask the minister, who has spoken this evening, and the government generally: What does it intend to do? What does it intend to do to counter the ineffectiveness of the free trade agreement as has been so clearly demonstrated in the case of softwood lumber today, and last week in the case of automobiles manufactured in Canada?

**Mr. Brian L. Gardiner (Prince George—Bulkley Valley):** Madam Speaker, I am pleased to participate in the debate tonight. I want to thank all members in the House for agreeing to this debate. I called on Monday and Tuesday for a debate similar to this so that members of Parliament could send an important message to all Canadians, in particular those Canadians in over 300 forest communities in this country who are dependent on the forest industry for their livelihood and are being affected dramatically by this recent trade decision by Washington, and the U.S. commerce department.

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It is important tonight as well to make sure that we do send that message to Washington, D.C. so that they understand our concerns and the representations we make on behalf of our constituents.

Third, I see as a very real and important part of tonight's debate that we must keep pressure on our own federal government to ensure that we do not get into the situation we were in in 1986 when it sold out Canada, and sold out Canada's forests, by signing the memorandum of understanding with the United States.

Tonight, after a weekend of cabinet meetings to discuss this issue, with sabre rattling from the Prime Minister and claims by the trade minister that they are going to fight all the way, I am disappointed. We did not get a clear game plan tonight, a line of action from the minister.

Canadians and people concerned about this issue must be able to see clearly that the Government of Canada, with the provinces and the industry and in particular the people who work in the forest industry, know that as partners in this debate we are there to make sure that we fight for Canada's interests. That is important because the debates we have had in this House in just the past week or so have been about our resource industries.