

*Canada-U.S. Free Trade Agreement*

research for them. It does not cost them a cent. Harassment will have a field day. Why bother having to compete with Canadians when all you have to do is go to your friendly U.S. trade commission and say, "We want to take a trade action against a Canadian exporter" and the commission will do all the work for them, pay for all the research, the high-priced lawyers, run it through the commission, all expense-free?

**Mrs. Finestone:** And Canadians have to pay themselves.

**Mr. Axworthy (Winnipeg South Centre):** That is exactly the point. We do not have a similar kind of role. That is why our amendments give the right of Canadian industry to petition the International Trade Tribunal to get the same kind of assistance to examine U.S. imports into Canada to determine whether they are being unfairly subsidized. At least we should have equal power, equal status and equal rights to those of American industries. If the Americans are going to harass us, we should have the same right to harass them.

**Some Hon. Members:** Hear, hear!

**Mr. Axworthy (Winnipeg South Center):** This Government, as it has shown in the past four years, negotiates on its knees. It is not prepared to give Canadians the same right or grant them the same kind of assurances that they are prepared to let their American counterparts give. We have seen it so often in so many ways. My colleague from Mount Royal in the field of communications can tell you just how unfair a balance that is.

What do we recommend, Madam Speaker? One of our amendments state that the International Trade Tribunal be given that right. Is there something horribly treasonous about Canadian business people having the same right as their American counterparts to go before their own trade tribunal to examine whether the U.S. is unfairly subsidizing American products and then asking for the Canadian Government to help them out?

I would plead guilty in a court of law if I really thought that was an act of criminality. All I say is that it demonstrates why we as Liberals have a much better understanding of how the trade process works. We are not motivated simply by this subservient, servile kind of attitude that if the American Congress says it is right we simply say, "Yes, Sir, Mr. President".

• (1540)

There was a further amendment of direct concern to my colleague from the Thunder Bay area. On two occasions this week that new Member has brought to the attention of the House and of the Minister for International Trade (Mr. Crosbie) the fact that the softwood lumber tax is now having a devastating effect upon the entire industry in northern Ontario, and that could be expanded to right across the country. That is a 15 per cent tax.

I will not tire the House with memories of Christmas past, but I do recall with some nostalgia the former Minister for International Trade who, during the election campaign, was a well paid commentator for the CBC. During the Christmas season two years ago, when faced with an American challenge on our softwood lumber products, rather than going to GATT and challenging it to prove that its law was accurate, went down to Washington to negotiate. We were hanging on every word out of Washington over the Christmas season to see what type of miracle would come forward on Christmas Eve. Unfortunately, when the cameras beamed in on Washington, the Minister was not there. She was in Hawaii on the beach negotiating in long-distance terms. The end result was clear to see. We got one of the most curious, strange and unorthodox solutions in the history of Canadian trade. The Minister emerged from a beach hut to announce a major victory for Canada. She said: "Ladies and gentlemen, we have put a 15 per cent tax on ourselves". Canadians rose up with wild hurrahs and said: "What a brilliant move by that Minister of Trade".

At that time the price of the Canadian dollar in relation to the American dollar was 75 cents. It is now 84 cents. Not only have we added a 15 per cent tax, but an extra \$700 or \$800 million of additional cost in lost markets to the softwood lumber industry. As a result, they are closing down.

The Minister of Trade sees no evil, hears no evil, and believes no evil. He walks around like a three-headed monkey saying: "I do not know what is going on. Why should I care?" All we suggest in our simple amendment is that Article 2009 in the agreement shall be deemed to be of no force or effect in Canada. That would simply eliminate the grandfathering of the softwood lumber tax. That means that we would have an opportunity to renegotiate or, even more importantly, challenge the United States in front of the GATT. We know full well that the trade law upon which that decision was based would be struck down by the GATT. It is an unfair