

• (2040)

All Canadians have had reason to regret the absence of the commitment to the GATT that the government exhibited on the occasion of its acceptance of an export tax to deter Canadian softwood exports to the United States. Why it chose that route instead of the GATT route can only be a matter for speculation, at least on our side of the House, but I would have to think that the fact the decision to impose the export tax came at the same time as the final negotiations were going forward on the free trade agreement itself may not have been entirely coincidental.

In retaliation for the Canadian government's cancellation of the memorandum of understanding on softwood lumber including the 15 per cent export tax, the United States department of commerce—and I want to stress that it is the United States department of commerce itself, the United States government—has acted to impose by coincidence a 14.48 per cent duty on Canadian softwood lumber.

This obviously is going to require immediate response from Canada, from Canadian producers and Canadian exporters, in the sense of posting bonds immediately on shipment of softwood lumber to the United States. That alone is a major burden for the Canadian exporters to assume. We export currently about \$3 billion worth of softwood lumber to the United States annually and the duty now imposed could cost Canadian exporters almost \$500 million in annual duties. That is clearly a major deterrent to the effective continuation of our exports to the United States.

Time and again during the free trade debate of not many years ago, the Conservative government promised Canadians that the free trade agreement would secure access in the United States market. Well, what have we today? We have the exact opposite.

I mentioned a moment ago the evidence that is accumulating of barriers that are being placed in the way of Canadian exports to the United States market despite the existence of the free trade agreement. We have seen the issue of Canadian pork being hindered from entering the United States market. The resolution of that issue was a matter of almost two years, during which time the interests of Canada were adversely affected. We need not only look at the question of pork. The instance of

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automobiles is before us all. We are conscious of the obstacles that have now been placed through the United States customs service on the export of Canadian built automobiles into the U.S. market. We have seen more recently still the question of Quebec Hydro and magnesium exports to the United States. In the free trade agreement we obviously did not win secure access to the United States market, and that was the whole justification for the free trade agreement.

The Conservative government should certainly not have signed the memorandum of agreement even though the free trade agreement was not then in place. The government says that in effect it had no real option because it did not have a free trade agreement at that time. It was under intense pressure from the United States to restrict exports of softwood lumber to the United States and it caved in to American pressures and imposed our own export tax on Canadian exporters.

Having finally recognized the folly of its own ways and also having recognized that as the Canadian dollar has increased in value one of the principal complaints of the United States has evaporated, the government finally got the courage to remove the export tax.

In so doing it has brought about substantial damage to the future prospects of Canadian exporters because it immediately invoked in the United States the import duty which will have a particularly severe effect on the provinces of British Columbia and Quebec.

The Leader of the Opposition in the province of British Columbia has consistently drawn attention to the importance of softwood exports to the United States. He has also drawn attention to the fact that the situation today is that B.C. and Quebec exporters are not only paying higher stumpage fees as a result of the actions of the provincial government but are now faced with the additional 15 per cent duty imposed by the United States. As a result the cost of doing business has effectively doubled.

I want to stress that this action was taken by the United States government itself, which is rare in trade between our two countries. It is not in response to a complaint by the U.S. industry but is rather an action taken by the United States government, which is in effect acting as the investigator, the prosecutor and the