

Supply

attempt to reassure Canadians that everything would be all right.

The Minister said that if the Government's about-face, 360 degree flip-flop, from no preconditions and no negotiations to the appointment of an envoy on each side to resolve the dispute, fails, he reminded the House that a similar action to seek countervail that was launched in 1983 by the U.S. administration did not work then and it will not work now.

I hope the Minister was only making that statement for public consumption, as part of the rhetoric that flowed from his speech. I hope he does not take the simplistic view that if all else fails we are in good shape. The world has changed dramatically since 1983. Mr. Yeutter, the U.S. special trade representative, stated in mid-April that the Canadian means of pricing standing timber is an unfair trading practice. That was not the case in 1983.

Recent Commerce Department decisions have taken a much more expansive view than in the past regarding the labelling of foreign government aid of natural resources industries as an unfair subsidy. That is a new interpretation by the Commerce Department that did not exist in 1983.

An omnibus trade Bill was passed by the House Ways and Means Committee in Washington several weeks ago. It contains language that would specifically find the pricing of natural resources as it is done by Canada to be an unfair subsidy. Finally, the President of the United States stated in a letter to Senator Packwood that the matter must be resolved in bilateral negotiations, and if it is not resolved he will take whatever action is open to him under U.S. law. That has changed as well. The naive view that we won in 1983 and will win again is not only foolhardy, it is dangerous. The Government must decide soon that the substance of its agreements between Canada and the United States is far more important than the perception that the Government is committing itself to its major initiative of free trade negotiations. It must decide that it will draw a line around a number of areas and that it has been pushed too far by the U.S. administration in clearing the decks for free trade negotiations.

The Minister of Consumer and Corporate Affairs (Mr. Côté) will add several hundred million dollars to the cost of generic drugs for Canadian citizens and untold millions of dollars to the cost of medicare in order to satisfy U.S. interests. That commitment has been given away. It cannot be negotiated in talks across the negotiating table. It is gone.

The Foreign Investment Review Agency has been rewritten to suit the interests of the corporate boardrooms in New York, Boston, Texas and elsewhere. It cannot be negotiated because it has been given away.

Canada's energy patch is in deep trouble. It is bleeding and weakened and is now wide open for U.S. corporate interest takeover. The protection of that sector was given away when the NEP was scrapped. It can no longer be negotiated because it is gone.

The U.S., seeing how desperate the Canadian Government is to begin these talks, with its political credibility and reputation on the line, decided that no talks will start until its demands are satisfied on the question of softwood lumber. The Government of Canada is amazed that the United States would do this, having won all these concessions even before the first day of negotiations. The United States is demanding that Canada voluntarily sit down and negotiate a reduction in our \$3 billion worth of exports of softwood lumber to the United States.

That is what the Government of Canada has done. It has broken faith with the House of Commons. It has broken faith with the industry. According to the Premier of British Columbia who spoke on BCTV this morning, the Prime Minister has broken his commitment to the Premier that there shall be no separate talks.

If the Government cannot find the backbone to stand up to say that enough is enough, I suggest that it find a bit of steel for its backbone so it can state, in the words of this resolution, that the Government of Canada will not proceed with any free trade talks with the United States Government unless that Government rescinds existing countervailing duties and guarantees that such duties will not be used. Failure to do so will mean that the Government is putting its political objective and its perception of reality ahead of the interests of the people of Canada, particularly those tens of thousands of Canadians who make their living from our renewable resource—our forests.

Mr. Brisco: Mr. Speaker, this morning and on previous occasions the Minister for International Trade (Mr. Kelleher) has been asked the question which was raised by the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin). That question related to the issue of preconditions, and the Minister has, on at least two occasions and probably more, given the House his straightforward assurance that there are no preconditions. The Hon. Member opposite alleges that there are preconditions. Does the Hon. Member not believe the Minister?

• (1550)

Mr. Tobin: Mr. Speaker, I hate to answer a question with a question, but how does the Hon. Member interpret the fact that the President of the United States has committed himself, despite his negotiations with the Prime Minister to a pre-negotiation, which is a precondition and a "pre-settlement" in his own words, of the Canadian softwood lumber controversy? He said: "I intend to press for an expedited resolution to this problem independent of the comprehensive negotiations". He states that it "... must be resolved before", not after, not during, not sometime. The President's words were: "... must be resolved before we submit to the Senate the results of the comprehensive negotiation". If that is not a precondition by the President of the United States, I do not know what else it could be called.