

Softwood Lumber

Canadian coalition of the provinces, the industry and the federal government.

There are two other steps, the final determination of injury and subsidy. The whole process will be complete in July of this year. We are appealing at every step of the way. We are sending armies of lawyers and mountains of paper to the United States. It is not a foregone conclusion that this process will result in what everybody expects it will result in, although I have to confess that considering the political interference in this process I do not have very much faith in it. When all is said and done we fully intend to fight this proposition tribunal under chapter nineteen of the free trade agreement. It is an independent judicial process. It is a joint Canadian-American process. There will be Canadian judges and adjudicators sitting together with the Americans to look not at politics, not at exchange rates, not at any other factor, but at the facts that are before them. And the facts will bear out that we should be vindicated.

As well we have already launched an appeal with GATT. A panel has been established and that panel will report in June. Again I am confident that it has to rule in our favour because the facts are so overwhelming.

But all of that does not relieve all of us here, particularly the industry, of our anger and our disgust with this process, this behaviour of our friends. This is scandalous, to say the least. We are mad about it and they should know that we are.

The commerce department in fact initiated this latest round. It was not initiated by a lumber coalition as it was the last time. It was the department of commerce, middle management officials in the United States who initiated it themselves.

There is the bonding requirement which is illegal under GATT and any other tribunal. The log export component is hypocritical, because there is a ban on the export of logs from the United States from federal lands. Why should they throw that into the equation? But, worst of all, they are hurting their own people. As I said, the result has to be an increase in prices of lumber for their own people.

Why would they do these things? I can only conclude that it is perhaps for the same reason that our opposition colleagues here tonight will attempt to lay blame entirely on the federal government for this particular situation, instead of giving recognition to the fact that the world has changed. We have to consider our trade prospects in

a global context. We live in a different world today. The Americans had better learn, and learn fast, or else they will be left behind for good, to get out of the situation they are in, mired in their dreams of past glories when they could always have their own way. The world has changed. They are no longer top dog in every area.

No doubt we have benefited immensely from living so close to the most potent and powerful market in the world. So have the Americans benefited from living close to us and from having us as good friends. They must re-learn who their friends are in the world and start playing by the rules that are now written for a new world.

Hon. Roy MacLaren (Etobicoke North): Madam Speaker, we have heard the minister's defence of the government's mishandling of what is a fundamental issue for Canadians: the question of how we trade with our principal trading partner, the United States.

The issue before us manifests a problem with the free trade agreement that is not only reflected in the specific issue of softwood lumber but of course is also reflected in the automobile problems that have arisen in the last weeks, and further the question of the treatment of magnesium exports from the province of Quebec to the United States. I speak in effect of the whole issue of how Canada and the United States regulate their trade under the free trade agreement.

Let me first say a word about the specific question of softwood lumber exports from Canada to the United States, the specific issue that is before us this evening, before I turn to the broader question of the inadequacies and shortcomings of the free trade agreement as a method of providing a framework for Canada-U.S. trade.

We have seen in these last days the response of the United States to the decision of Canada, the belated decision of Canada in October, to terminate the 15 per cent export tax on softwood lumber exports to the United States. I say "belated" because in our view the government should never have accepted the practice of imposing an export tax on our exports of softwood lumber to the United States. There was—and the minister touched on but did not elaborate on the government's reasons for rejecting the alternative—the alternative of the GATT. It might have been a solution to the problems we are encountering today if the government had had the courage to pursue the GATT alternative back in the years when this issue first arose.