

Supply

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to participate in this debate today. As I do so, I ask Hon. Members to reconsider the motion before the House. It says:

That this House urges the Government not to 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 in the future, given the current threat of U.S. countervailing duties in the Softwood Industry—

That motion might easily have urged the Government to keep its word to the House of Commons concerning the softwood lumber industry. It might have been a motion urging the Government to keep its word to the industry itself. It might have been a motion urging the Government to keep its word to the Premier of British Columbia who has told BCTV, among others, that he has a commitment from the Prime Minister (Mr. Mulroney) that there shall be no separate deal with the U.S. on softwood lumber from B.C. or anywhere else in Canada. If such a commitment, and we only have the word of the Premier, was given to him, then indeed that commitment has been shattered. It has disappeared like the snow in spring.

We know that because we heard the Prime Minister say in this House that no separate deal, no preconditions, would be attached to free trade talks. We know that that commitment has been shattered as well. As recently as yesterday the Canadian Ambassador to the U.S., Mr. Gotlieb, was suggesting to the Americans that each country should appoint envoys to sit down and negotiate a separate deal on Canadian softwood lumber exports to the U.S.

The Prime Minister said he had a commitment from the President of the United States that there would be no preconditions. If the President gave the Prime Minister that commitment, then the President's word has been shattered as well. On May 8, just five scant days ago, he wrote a letter to Senator Packwood, Chairman of the Senate Finance Committee, saying that there must be—not “may be”, or “should be” or “would be nice if there was”—but there must be separate negotiations on the export of Canadian softwood lumber to the U.S. He went on to say that if this cannot be achieved through bilateral negotiations, then he will take such action as may be necessary to resolve this problem consistent with U.S. law. This letter from the President follows by three weeks a tie vote in the U.S. Senate Finance Committee to initiate free trade talks. That followed by three weeks some kind of backroom manoeuvring in the U.S., arm twisting to get Senators on side to allow the free trade initiative to begin. It was a tie vote, and at that time it was reported that the President had made a private and confidential commitment to Senator Packwood to write him a letter indicating that the U.S. Government was committed to resolving this issue, to limit the import of Canadian softwood lumber, and that he would put it in writing.

Canadian officials in Washington and Ottawa scoffed. They said no such letter exists. Why? Is it because they were really interested in the letters the President was writing to U.S. Senators? No, they scoffed because the existence of this letter

from the President of the U.S., following discussions between the President and the Prime Minister, following negotiations between the Minister of International Trade (Mr. Kelleher) and his U.S. opposite, indicates clearly there was a deal made between the Government of Canada and the U.S. administration that the price of getting the free trade talks started was the beginning of a separate deal to limit the export of Canadian softwood lumber from this country to the U.S. That is why they scoffed at the existence of a letter.

I do not believe, as the Minister of International Trade would have us believe, that he does not know where this letter came from. I do not believe, as he would have us believe, that he is not sure what the President of the U.S. is trying to say. I do not believe, as the Government would like us to believe, that this commitment by the U.S. President to the Senate Finance Committee, a very powerful committee, was written holus-bolus, out of the blue, without some pre-discussion and negotiation with the Canadian Government.

The reality is this. The Government of Canada has invested so much of its political capital, tied so much of its future to free trade negotiations, invested so much of its reputation in the successful outcome of those negotiations, that it has now politically put itself in the position where it can no longer say no.

● (1540)

The perception of beginning free trade talks and the completion of those talks is now more important than their substance. The Government of Canada had its back to the wall. A number of U.S. Senators told the President that he would not get a start to free trade talks without the votes in the Senate committee to initiate those talks. They said he will not get those votes unless the Canadians give in on softwood lumber and there is a commitment to limit the export of Canadian softwood lumber. The Government of Canada had no choice but to tell President Reagan to go ahead and make that commitment and it will make a separate deal on softwood lumber. That commitment was made either directly in a phone call between the Prime Minister and the President or through Mr. Deaver who informed the President in a visit to the White House. There is no way that such a commitment could have been given without the consent and advance knowledge of the Canadian Government.

The Government has given in on the question of generic drugs in advance of the negotiations. It has given in on the Foreign Investment Review Agency and on some aspects of the NEP in which it has placed the decision affecting Canada's oil industry back in the boardrooms of corporations south of the border. The Government is learning that by giving in on these matters in advance of negotiations it does not get any favours.

The Government has been giving away the shop, and every time it gives an inch, the U.S. administration or U.S. interests come back and look for another foot. That is what is happening to us in this softwood lumber industry dispute. This morning, the Minister for International Trade spoke in an