

with the key elements of our industrial sectors to meet new industrial challenges. One can ask the farmers in western Canada who have lost markets by the tens of thousands of tons of produce in the last two years if they have confidence in the Government's ability to deal with them. The scientific and research communities know they are the ones who will have to provide the innovation, the new development and new products, and they see their budgets being slashed, their scientists being fired and the lay-offs. One can ask them if they have confidence that they can go forward and create the kinds of conditions which will enable Canada to compete. Does the scientific community have confidence that it has a Government which is prepared to defend its interests and promote its ability to move ahead?

The Minister told us to look at all the trade cases we won. In the last two years the Government has been in power, close to \$5 billion worth of Canadian products have been put under countervail or anti-dumping or anti-trade actions. That is more than in the previous 10 years. This is the Government which was going to change the climate. The people who have the least confidence in the Government are the people in the United States of America. I believe they laugh at the Government. They have no respect nor admiration for it, and they know they can at will get away with what they want to impose upon the Canadian people. That is the end result of the trade strategy by the Government which said its strategy was going to be the centre-piece of its economic program. The Government makes Napoleon's march back from Russia look like a victory by comparison because all we have had is one step backwards after another.

We have the record to which the Minister points as a sign of accomplishment. When the cedar shakes and shingles issue arose, what is the first thing the Minister of Finance (Mr. Wilson) did? He asked for compensation. The Americans said: "No compensation". The Minister of Finance said: "Okay. I will then go to retaliation". Then, in a brilliant move, he hits teabags, Christmas trees and books. That was a brilliant trade strategy. It really hurt the Americans when we put tariffs on our books so that when they go into a bookstore it costs an extra \$3 or \$4 to read a book. That is the sign of a brilliant trade strategy at work.

The Minister said to the House again today that when she plea-bargained in front of the Americans on the softwood lumber issue: "I was doing it because they wanted me to do it". The question we ask is, where is the leadership of the federal Government? It is supposed to be responsible for the entire coherent trade policy. Surely the Minister should have known and understood that what was at stake in the softwood lumber issue was a fundamental principle. We were being challenged by the United States. It was going to fix our resource prices. As soon as the Minister conceded and said: "All right, Your Honour, I think I am innocent but I am prepared to take 10 years", she gets slapped with 15 years. How does she expect anyone in this country, in the American administration or in the international trade body to treat this Government with the

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kind of respect and confidence which is required in order to have an effective trade strategy? Of course, all this is about confidence. This debate is about a total lack of confidence that the Government either knows where it is going or how it is going to get there.

I could go through the sort of ups and downs of trade policy we have witnessed over the past two years. The Government has been busier than a toilet seat going up and down. It just does not have any idea of where it is going or how it is going to get there.

I am glad to see the Minister once again is not prepared to engage in full democratic dialogue. That is again a proper sign of how serious the Government treats this issue. It says: "Let's have a dialogue", until the dialogue starts happening and the truth starts coming out, then once more we have a retreat.

**Mr. McDermid:** Where is the retreat? I can handle you, Axworthy.

**Mr. Axworthy:** Let us examine the question put forward at the base of the talks. At the Quebec Summit and later in the television speech Mr. Mulroney gave to the nation on trade—

**Mr. McDermid:** The Prime Minister to you.

**Mr. Axworthy:** The Prime Minister. I keep forgetting, Mr. Speaker, as do most other Canadians. The fact is that the Prime Minister (Mr. Mulroney) introduced what I think has to be the basic principle around which this debate is taking place. He did not shilly-shally as do many government Members in talking about enhanced trade and so on. He came out full square. He said we are after a comprehensive trade agreement based upon the principle of national treatment. I will give him credit for that. At least he was prepared to say we were going for a comprehensive trade agreement. He also clearly underlined that the objective would be the achievement of "national treatment". That is a little bit of a jargon word in trade language which means there can be no special program, policy, advantage or preference given to a Canadian manufacturer, region or business which is not available to an American, and vice versa. He said that it was a level playing field, and that underlies the entire negotiations. No one should make light of how important a principle that is. What it means is that no Canadian Government, federal, provincial or municipal, can provide any policy, any initiative, which would give an incentive to a Canadian firm or organization which it did not also make available to an American firm or organization.

● (1230)

I would like to give Hon. Members an example of what that means. It was clearly outlined in the report handed down by the U.S. Commerce Department on softwood lumber. If one reads the entire report one will see that not just stumpage fees are being challenged. What is being challenged? Economic regional development programs which we pioneered and which provide economic development assistance are being challenged. That already forms part of the decision of the U.S. Commerce