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More important than the naivety is the dissembling which goes along with it, which is more destructive than a willingness to really deal with these measures in a forthright way. I do not think I have seen in a long time a more calculated piece of chicanery than the Prime Minister's trip to western Canada where the only thing he announced in the Town of Lethbridge was that he had written the President to get a solution to the national energy gas ruling. Boy, he was going to be Horatio at the bridge. After all, he spent all this time establishing a special relationship with the President of the United States. He spent all his time developing all these good causes. But the fact is that the President had no intention of interfering because we were told in the House two weeks later that all along the Ambassador and others knew it was a judicial decision, which makes the case that the Prime Minister was simply fooling western Canadians simply to get a headline. Or he did not know, which is even worse, what was going on in this vital decision. I do not know whether it is worse being a knave or a fool. Perhaps we are faced with a situation where we have both embodiments in the figure of our Prime Minister.

Why would he go to western Canada and make that grandiloquent gesture that he was going to save the situation when he knew full well that that kind of intervention was not going to work because the ground work had not been laid? The kind of clear willingness of the Government to stand up to these interventions in our natural resource fields is not taken seriously by the Reagan administration. Why should we be taken seriously? Every time the United States has applied intimidation and blackmail, we have given in and paid the ransom.

• (1720)

That is what we are facing. It comes at a very serious time when our natural resource industries, particularly in western Canada, northern Ontario and in parts of the Atlantic and Quebec, are reeling from an incredible series of blows dealt them in the international market-place. In many cases there is an over supply of products, whether it be nickel or wheat. In many cases there is the emergence of new competitors who are providing the same types of commodities and resources. In other cases there is a replacement of natural resources with new types of artificial materials. Whatever the reason, we know that the old cornucopia of the Canadian resource field is becoming uncoupled from the international market, and certainly uncoupled from our own domestic economy.

There has been more than enough clear analysis to show that what used to lead to recovery in Canada, what used to be the engine of growth, that is, our resource industries, is now falling further and further behind. What will be required is an effective set of national policies to come to grips with these matters. This means that we must have the national instruments to deal with them. We must have ownership of the industries so that they are accountable to political and national decisions.

In all these respects we are giving up on the various agreements and ingredients to have an effective national policy. This is at a time when we have demands for substantial, effective answers to the incredibly difficult circumstances faced by our resource industries in our resource regions, and we are negotiating them away. We are giving them up, whether it be through constitutional change, free trade negotiation or an acquiescence with respect to a whole series of acquisitions and takeovers. Whatever facet it is, Canada is losing its tools and abilities to meet that type of challenge.

I point Hon. Members to one of the most serious international developments that Canadians face. It is the God-given assumption now prevalent in the United States that that country has the right to insist, extra-territorially, that we follow its policies. We saw it with respect to the softwood lumber decision in which a decision taken by the American authorities told us how to price our resources.

We see it now in the decision of the Federal Energy Resource Commission which now has the right to decide how we will price our natural gas exports and how we will deal with the transmission of those resources. We see it being introduced in House and Senate Bills on trade in which the Americans would abrogate to themselves the right to determine subsidies in other jurisdictions, other countries, where they consider there to be unfair trade practices and apply penalties against them if they do not like them.

What is interesting to note is that in the congressional debates dealing with that legislation the concessions made by Canada on the softwood lumber case are cited as full warranty as to why they have the right to go ahead and do that. Thus we have a situation in which our neighbour to the south has decided that it can basically determine and choose what our national resource policies will be. That is really the type of issue the country should be facing with fear and trepidation. It means that we will be losing not only the right but the opportunity to try to engage in a major restructuring and reformulation of the resource industries that are so vital to so many parts of the country.

I weep at times when I think of how little ability we will have left to deal with these problems once the Government gets through with its mandate in a year or two. There will be no power left at the federal level to come to grips with these issues since we are bargaining it away all over the place. Therefore, as much as we may perceive the problem, our capacity and ability to meet the problem will disappear. It will evaporate. It will become part of the bargain-basement approach.

I return with some real concern to the speech given what must be about two years ago now by Simon Reisman, our chief trade negotiator, before he was appointed to that position. After a speech given to the Ontario Economic Council he was asked what it would take for the Americans to sign a deal to limit their contingency practices or trade remedy laws. He said: "Well, we don't really have enough to give up unless we're basically prepared to negotiate away our resources,