

Softwood Lumber Products

The Acting Speaker (Mr. Paproski): I am sure the Hon. Member for St. Henri—Westmount (Mr. Johnston) is watching on television. He may be outside in the lobby. The Hon. Member knows very well that he should not reflect on the attendance of Members in the House.

Mr. Waddell: I am sorry, Mr. Speaker. I had talked to the Hon. Member. He told me that he would follow my speech and I was addressing my remarks to him. I wanted to respond to him to his face.

We know that it is worth listening to all piano players, especially the Hon. Member for St. Henri—Westmount. I wish we had a question period after his speech because the Liberal Party is split on this free trade matter. The Hon. Member for St. Henri—Westmount is on one side of the issue and the Member for Winnipeg—Fort Garry (Mr. Axworthy) is on the other. Their Party is also split on the Constitution, with the Hon. Member for St. Henri—Westmount on one side and the Leader of the Opposition (Mr. Turner) on the other. It is hardly a Party that is ready to govern Canada, and I hope for their sake, perhaps not ours, that they resolve their differences.

I want to address a number of matters that have been raised in the debate. First, it was stated that there is a difference of opinion about this deal between British Columbia and Ottawa. Let me point out what I believe to be a British Columbia position held by the IWA, Government and Opposition Members and some journalists, including a leading journalist from British Columbia, Marjorie Nichols, who will soon grace us with her presence here in Ottawa. I believe these people are putting forward a British Columbia provincial point of view which is distinct but not necessarily in conflict with another point of view that can be put forward in the federal realm.

The provincial point of view in British Columbia is simply that British Columbia has been losing \$200 million a year in forestry, which is rather difficult when one considers that British Columbia probably has the best forest resource in the world. Therefore, the implication is that British Columbia Governments have been undercharging the companies for the use of that forestry resource. This has been stated recently by Premier Vander Zalm and other academics from British Columbia, and it perhaps has given the Americans ammunition to support a countervail duty.

I believe Premier Vander Zalm should have initiated an increase in stumpage fees and proceeded to fight the countervail through the usual procedures such as GATT, rather than supporting the Minister for International Trade (Miss Carney) in making what she has called an out of court settlement. The fact that the resources have been priced so low in British Columbia has meant that some inefficient corporations have survived, unions have had higher wages and the industry has had higher profits. It was a comfortable situation and I believe the mistake made by British Columbia was not changing it soon enough.

The International Woodworkers of America, which is said to support this deal, has its own issues with which to deal. We must remember that the IWA has just finished a long strike and is looking for some stability in the industry. They want to resolve this problem and get on with working, which is understandable, but does not necessarily mean that I, as a federal Member of Parliament, must support their position.

I believe there is a bigger issue which does not conflict with the British Columbia position. It is that of national sovereignty. The Americans now have the ability to intervene in the setting of our resource policy in Canada, which is a bad precedent. That is an issue that is different from the issue in British Columbia facing the unions there.

The politicians in British Columbia should consider how they will use the money they will receive from this agreement.

I want to give a warning to my colleagues and friends in British Columbia. I acknowledge that keeping the money in Canada is better than giving it to the Americans. It is fine to absorb a large portion of that \$600 million charge on the forest industry, as is happening now. Government Members are correct that the forest industry can make a lot of money by passing the cost on to American consumers through higher lumber prices in the United States because they still want good British Columbia lumber. However, what will happen when there is a downturn in the American economy? The situation will suddenly become difficult, with the result of lay-offs at home and problems for British Columbia producers. Taking \$600 million from the forest industry will result in almost no profits this year, which is not healthy.

Let me explain why this is an issue of national sovereignty and a reason for my opposition to the deal. I believe the Minister dropped the ball on this issue because the Americans now have a precedent to intervene and are already exercising that power. Approximately a week ago a body from the United States, the Federal Energy Regulatory Commission, decided to intervene in the way Canadian companies and Governments calculated their prices for natural gas. Within a number of weeks after this deal, the Americans were telling Canadians how to price their gas resources. I am sure this question was raised with Vice-President Bush yesterday, because it is an intrusion on Canadian sovereignty. We will probably see the same intervention with steel and other products, because when dealing with the United States it is not wise to make such deals. It is like an elephant rolling over a mouse.

The New Democratic Party treats this issue very seriously because it is a matter of national sovereignty. If the Government does not go down to defeat as a result of scandal and sleaze, which could happen very shortly, it will go down to defeat over the issue of keeping our economic sovereignty.

We could have pursued other alternatives. Our trade critic, the Member for Essex—Windsor (Mr. Langdon), has suggested the multinational route of negotiations which has served us well in the past. He also suggested that we consider making deals such as the Auto Pact, in relation to bilateral