

Supply

United States to launch a countervail at the rate of 27 per cent against that \$3 billion industry.

We have been talking primarily about British Columbia. One might ask why a Member from Newfoundland is becoming so exercised about jobs in British Columbia. It is for two reasons. We in Newfoundland believe that the Rockies are as much ours as are the Grand Banks. We in Newfoundland believe that the Athabasca region of Alberta is as much ours as is the Codroy Valley in western Newfoundland. We believe that we belong to every part of the country and that every part of the country belongs to us.

There is another reason. We in Newfoundland, Quebec, Ontario, New Brunswick, and Nova Scotia know that if a successful countervail can be launched on softwood lumber in B.C., based upon what the Americans call our subsidized stumpage system, which is nonsense, that same countervail measure can be applied to pulp and paper in Ontario, Quebec, and Atlantic Canada, based upon the same stumpage system. Obviously the Government of Canada has not understood that.

When the Premier of British Columbia wrote to the Prime Minister, I do not think he was worried about the next election. I do not think he was worried about posturing, as was the Prime Minister on Friday past. We all know that the Premier obviously had in his mind to leave political life. He wrote a letter which he thought represented the reality—the real threat to the people of his province. He specifically asked the Prime Minister to act. There was no action.

● (1510)

What are we talking about in British Columbia? We are talking about the loss of 4,000 direct jobs with an annual payroll in excess of \$100 million. We are talking about raw material suppliers facing the loss of revenues in excess of \$100 million. We are talking about losses in the trucking and transportation sector. We are talking about financial institutions that have decided this industry is beginning to look—and this is tragic—a little plague infested. They are neither willing to make the investments nor willing to stand behind the people in that industry. The seas have gotten rough and the financial institutions are bailing out of the action, Mr. Speaker. We are talking about 20,000 jobs. We are talking about increased unemployment in a province that now trails my province in terms of the highest unemployment numbers in the country. We are talking about the loss of millions in tax revenues to both the Province of British Columbia and the Government of Canada.

It is clear to everybody in this House that the Government of Canada frantically called the United States administration and said a month ago: "Wait a minute. We hear that this free trade negotiation is not going to pass the Senate Finance Committee. We hear the numbers are not there. We here in Canada are politically committed to this negotiation. You have to get this through, President Reagan." The President said: "Don't worry, Prime Minister. We are going to delay the vote." Remember the Americans did that, Mr. Speaker. They

put it off for a week. Somehow in that seven day time frame the President went from not having enough votes to get free trade talks going in the Senate Finance Committee to having just enough votes, a 10-10 tie.

It is inconceivable to me and to anybody who thinks about it in this House that the United States President did not say to somebody in the Canadian Government: "Fellas, there is going to be a price to pay. It will cost something to get those extra votes. The guy I am dealing with is Senator Packwood who represents one of the most intense industrial areas in the United States and he wants something in return." Of course the President must have said that. Did he say to somebody in the Canadian Government that cedar shakes and shingles are what it will cost? I don't know. Did somebody in the Canadian Government say: "I don't want to hear about it. Don't tell me. Get the votes however you have to. Make sure the Senate goes along with this." So Ronald Reagan went out with B.C. cedar shakes and shingles and he purchased, he bought and he paid for with B.C. jobs a few more votes in the Senate Finance Committee.

Whether the Government of Canada was overtly involved a partner active in that deal or a partner passive by turning a blind eye, the Government has failed the best interests of this country. We now have a Government that has invested so much of its reputation, so much of its credibility, so much of its political capital in the notion that it has a special relationship with the United States Government, in the notion that free trade is good for us in Canada, that the Government now believes it has to have a free trade deal at any cost.

Politically the Government has put itself in a very weak position. Yes, Mr. Speaker, the Government has put itself in a position where the American administration understands that the Prime Minister of Canada has gone so far out on a limb in terms of his reputation in achieving a free trade deal that the Americans can put a tariff on the cedar industry in British Columbia, can penalize the softwood lumber industry that he will be reluctant to respond in an intelligent manner. That is what is happening and it could only happen when the Prime Minister of Canada behaves as if free trade negotiations will occur in the kind of comraderie that exists in a private back room tennis club somewhere, when the Prime Minister of Canada naively thinks that the tinkling of champagne glasses, being on stage singing "When Irish eyes are smiling" before the cameras is the same kind of comraderie that the Americans will bring to the free trade table. That is the only way that could happen.

Professor Alan Rugman of Dalhousie University, an advisor to the Minister for International Trade (Mr. Kelleher) on the International Trade Committee, said yesterday as reported in *The Chronicle-Herald* in Halifax that shingles tariff, big headline, "no surprise". The Professor went on say "I am not suggesting the Prime Minister is ignorant of what is happening. However, he must have been badly informed because nobody who knows anything about what is happening in the United States could have possibly been surprised."