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which gas is discovered, because the dry hole does not need a wellhead.

I ask the Hon. Member to consider that taking 16 per cent off the top is like taking 16 per cent off the day's take from a store in Ottawa before it pays its expenses or staff. That was the case in the West, and no other industry in the history of Canada faced a similar tax.

While we went through a difficult period, we are seeing a measure of recovery as a result of the announced CEDIP program, putting a third of the funding in place for the companies that are willing to explore. Some companies are still hesitant to do so, but the provision of some funding has made it easier for them to seek financing and there is activity in place in southern Alberta and across the West. We are seeing some encouragement in the energy sector, and that is why it is important that we maintain our current markets and develop them for the future. Since we supply 4 per cent to 5 per cent of the American market presently, it will obviously need more gas in the future. That is a reason that Polar Gas was there looking at a large consortium which would bring gas down from the North. The Americans are going to require it, and certainly I would think that any moves they take to make it more difficult at this time is not only going to make it difficult for Canadian producers but will affect their long-term availability of gas.

● (1710)

One cannot just turn on a pipe overnight. It takes time to go out and develop. Anything which brings some concern to the market-place will reflect back to the production end of it. I think we have to be concerned about it and I think the Americans should also be concerned because their future is tied to the North American gas market.

North America, as we all know, shares a gas market. Our imports and exports of oil products are based on world prices. The price for natural gas is based on a North American market and is reflected somewhat, I suppose, on what energy prices world-wide are doing. However, the market board is here, and that is why this is such a sensitive issue and I think it should be viewed very carefully by those who are making this decision.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Madam Speaker, I listened with interest to the last spokesperson for the Conservative Party who, once again, was forced to rise to his feet to defend another major incursion into the natural resource field by the actions of another country. I do not doubt for a moment his sincerity and feelings of anguish about the impact on his constituents. However, Madam Speaker, think for a moment how often we have heard that. How many times in the last 18 months to two years have Conservative Members of Parliament been required to rise to their feet in this House, shake their heads, wring their hands and cry: "Woe is me unto the fates" because of some major decision primarily taken by the Reagan administration in the United States against this country. I can give an example of shakes and shingles, softwood lumber, the import tax on petroleum last fall, and the

fundamental problems we face in agriculture because of the U.S. Farm Bill which is taking away our markets and forcing prices down. How many times have we had to hear attempts to rationalize, to apologize, and to explain why it is that in the last two years, in particular, there have been broader and more extreme restraints put on our trade with the United States than ever before? The only solutions we have been able to find is when, in the softwood lumber case, we imposed a \$600 million tax on ourselves and lost the lumber markets. This all came about after the Prime Minister (Mr. Mulroney) and the President of the United States got together in Quebec City and promised there would be a freeze on such actions. They promised there would no longer be these kinds of impediments to our trade. In fact, they went so far as to promise to strengthen our market approach to Canadian-United States energy trade by reducing restrictions, particularly those on petroleum imports and exports.

That was a solemn agreement entered into by the President of the United States and the Prime Minister of Canada, but how many times has it been trespassed? How many times have we had transgressions and how many times have we had to suffer the crocodile tears of members of the Government which has willfully allowed it to happen?

The irony is that every time this happens, every time we are faced with one of these blows against our resource sector, we are told that that is another example of why we have to continue trying to work out a better deal with the Americans so they will not do it to us again. As we capitulate and surrender time after time, we are saying: "Well, if we only surrender one more time, perhaps the Americans will not do it again".

You may recall, Madam Speaker, that childhood toy, the little rubber dummy with the sand in its bottom. One hits it and it keeps bouncing back. Well, we are becoming the rubber dummies of the trade world.

Mr. MacKay: Speak for yourself.

Mr. Axworthy: I am speaking for this Government which is constantly and continually, without cease, following its line of argument that it alone will solve the trade problems when in fact under its regime there have been more actions, more restrictions, and they come by the barrelhead. This is just the beginning. I have a whole list to go through. The potash requirement is going to be another major blow. Canadians are waiting for a resolution to this problem. I would suggest that the reason is that they had it all wrong. When the Prime Minister signed his agreement with the President, he might have been wise to have taken a couple of lessons from Thomas Haliburton when he had his "Sam Slick" series back in the 19th century when he talked about the Yankee trader. "They are tough and they are smart and they will pull the wool over your eyes any time they get a chance as long as they have someone naive on the other side of the bargaining table". And we do have someone naive handling our trade negotiations here.