

and higher prices in the U.S. I believe had the Conservative Government chosen a different route and worked hand in hand with, for example, Mr. Zimmerman and used our clout in the quasi-judicial process, we would once again have been successful in defending the Canadian view that there is no unfair subsidy.

I mentioned at the outset that Canadians no longer have faith in the Government's ability to put forward the Canadian viewpoint in its negotiations with the U.S. In my view this latest caving in to the Americans will be seen as a sign of weakness. While we are discussing the impact this will have on the lumber industry, I have no qualms in saying that other U.S. groups will see this Canadian weakness and institute proceedings which will affect other sectors of our economy in a similar way.

Perhaps my friends on the other side may feel that my reference to the fact that the Minister responsible for these negotiations was not even in the country at a crucial time was a cheap shot. However, the Canadian public deserve better than to have the Minister concerned at a distance from the negotiations at the time these crucial decisions were being made. It certainly did not give a feeling of comfort to the boardrooms and union halls of this country which will be adversely affected by this decision.

I represent a riding with a vested interest in the protection of the Canadian lumber industry. That industry is a very important component of the economic life of northern Ontario. We have a great fear that as a direct result of the imposition of this export tax we will see lay-offs in the industry. They have already occurred in northern Ontario as the Parliamentary Secretary to the Minister for International Trade (Mr. McDermid) well knows. There have been lay-offs in northern Ontario as a direct result of this tax.

It also comes as no surprise to those of us with some knowledge of the industry that there is now a fear in northern Ontario that the B.C. lumber industry will try to make up for its loss of market in the U.S. by taking some of the market which has traditionally belonged to the Ontario industry. We not only suffer as a result of these negotiations with the U.S., but we may see one province pitted against another in an attempt to make up for markets lost as a direct result of the imposition of this tax in Canada.

Finally, I want to point out the feedback I have been receiving from my constituents. They greatly resent the fact that the Canadian Government has given U.S. officials the right to object to how the Canadian Government decides to use the \$600 million in Canada. Although the Conservative Government wants to mask the fact that it has given up our sovereignty, the people in our constituencies strongly believe that the Government has caved in to the United States interests and has not upheld Canadian interests in this matter. Frankly, they are very disappointed in the way in which the negotiations were completed.

Softwood Lumber Products Export Charge Act

• (2050)

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I wish to participate in this debate because there are no issues more relevant to anyone in Canada, and particularly to people in Atlantic Canada, than trade and forestry. I have followed the debate closely with enthusiasm and great interest, and sometimes with fright and disbelief at the incredible remarks I have heard made by Members opposite. We have heard many statements based on fiction rather than fact. There are many inconsistencies among the Members opposite and, more particularly, among Members peculiar to a particular Party.

This issue must be debated with the general knowledge that Canada is in a very unique position with respect to trade. The difficulty which the Opposition has in presenting its case adequately is another example of the difficulty it has had in making intelligent or constructive comment on any matters relative to trade.

We must bear in mind that Canada is a very unique trading nation. We are more dependent upon trade than is any other country in the western world. One-third of everything we produce goes beyond our borders. We are a nation of only 25 million and are, therefore, more reliant upon trade than any other country. Only 10 per cent of what is produced in the United States is exported. Only 16 per cent of the production of Japan is sold abroad, and only 26 per cent of the produce of the United Kingdom is sold abroad. Therefore, the steps which we must take and the sensitivity which we must have is peculiar to Canada. Strategems which may have guided the destinies of other nations with regard to trade are obviously not appropriate for Canada. In 1970 Canada was the fourth largest trading nation in the world, just ahead of Japan. Today Japan has doubled its exports and Canada is in eighth place.

Some months ago we were hit with a countervail from the United States. That was not only a result of the protests of producers and purchasers of lumber in the United States about our situation with regard to lumber, but was symptomatic of everything that is happening in Canada with respect to trade with the United States. We experienced a series of tariffs, countervails, threats and protectionist legislation on hogs, beef, steel, fish, shakes and shingles, and raspberries. Every commodity of consequence which we have been sending south of the border has been subject to scrutiny, criticism, and attack from the elements there.

We are experiencing an international trade war. The European Common Market seemed unable to control its members who have participated in unfair trade practices. There has been retaliation by the United States. Recently a 200 per cent countervail duty was placed on the European Common Market. There will obviously be a reaction to that from the European Common Market and so on.

Members opposite ask us to ignore the realities of the situation. They say that we should allow the due process of law to proceed and take our chances in the legal and trade forums