

tribunal that deals with these matters. On both sides of the House it has been suggested that there is a great deal of subsidization of economic activity in the United States. Over the past three years that has not always been clear in the activities of the Conservative Government.

There has been a failure to recognize the extent to which American industry is driven by U.S. Government activities, particularly by what President Eisenhower called almost 30 years ago "the military industrial complex", spending on research and development which strengthens American industry and which we all recognize spills into various areas of production, and recognition that that is as important as any element in the American industrial setting was surely necessary for any Canadian Government that wanted to deal with American activities. I mention that point very deliberately because if anything drove the Government on it was fear about American protectionism, and the particular actions undertaken by American Governments against Canadian industry.

We all know, some more keenly than others, and we in northern Ontario are keenly aware of American attacks twice in this decade on softwood lumber exports. Those in other parts of northern and southern Ontario are keenly aware of American attacks on Canadian steel exports to the United States. What did we have a Canadian Government do, the previous Minister for International Trade when the U.S. industry focused on softwood lumber? We did not see the Canadian Government fight the battle for Canadian producers all the way through, focusing on the realities of the Canadian industry and making it very clear to Americans that there was absolutely no basis for subsidies to be charged against the Canadian industry and for Canadian industry to be found to be unfairly subsidized against American producers. It would have been well worth saying to Americans that their crazy policy on driving the U.S. dollar up to very high levels against other currencies might make U.S. lumber producers uneconomic in comparison to Canadians. However, the Government did not fight the battle in 1986-87 through the U.S. courts and through the mechanisms that existed. Now, having created other mechanisms that are supposed to do the job, does one believe that is the case? I am not convinced that it will work.

The Government did not fight it through those means. Instead, it turned to the negotiations that led to a 15 per cent export tax on softwood lumber.

Whatever may be true in some other jurisdictions, we in Ontario have never regarded the timber that goes into the mills which is cut into lumber and exported to the United States as subsidized in the way the Americans charged us. In turning to the negotiations that produced this trade deal, this sell-out of Canadian interests on which the Government is now trying to put the best coloration with the paint that the Parliamentary Secretary was applying a few moments ago, he was not talking about U.S. subsidies at the time. In recognition of the importance of softwood lumber as a Canadian resource industry, the Government could have recognized that one area where there is massive subsidies of American production in the American

southwest is in the use of water at very low rates of cost. That water is charged to the growers at something under one fifth of what the water should actually be valued at.

I mention that advisedly, as I have before in the House, because if the American growers of vegetables, and particularly fruit, were charged a fair price for the water that they used, they would be much more careful in using it. If they were more careful in using water, they would be less tempted to turn to the possibility of getting water from Canada, and we in northern Ontario would not feel the same concern we do now about a massive sell-out of water resources through the deal, a sell-out which has been controversial in the House for months past and for which the Government has recognized there may be some danger and has responded to it.

In focusing on these particular instances of a failure on the part of the Government to fight the battle fairly for Canadian industry, by pointing out to the Americans where they subsidize, and by demonstrating in the American courts that we do not subsidize the Government in those particular instances demonstrated its failure to defend Canadian interests properly. So, recognizing those failures, we have every reason for supporting amendments of this sort. I am speaking now about my colleagues in the New Democratic caucus. We have every reason for supporting these amendments, particularly Motion No. 39, which would ensure that the evidence for subsidization is available to the board and provides a fair basis for determining what kinds of adjustment policies shall be followed. It may not be easy for those in an industry or for individuals even in a business association or a union to gather this evidence, but government could dedicate the resources to finding it.

● (1630)

In relating to subsidies for adjustment policies, I will deal with one of the most difficult points of this whole matter. The Government recognizes that there will be massive dislocations resulting from the trade deal. There are various estimates. One of the Government's own estimates has been a dislocation of 800,000 persons from jobs. As far as justifying that, we have been given a net gain of 125,000 jobs over 10 years as the amount of new jobs that we would have over and above all of those lost. Eight hundred thousand jobs involves a lot of people. These are full-time jobs. When these are good jobs that Canadians have lost, what is the Government going to do to ensure that those who lose their jobs have some kind of assistance in obtaining the new jobs that are wanted?

It is very nice, and the easiest thing in the world is to denigrate some of these jobs, to depreciate them, and to say that the people who are doing this work will be able to find new and exciting jobs in that high-tech future that the trade deal involves. Will that sort of thing read very well in the Spadina riding of downtown Toronto five years from now? What about the people who have lost their jobs in the clothing industry and are not able to get in on this high-tech future that