

Supply

We could have fought it off if we had started a year ago. We could have battled to have the shake and shingle issue taken off the agenda, and clearly we could have battled to have the softwood lumber taken off the agenda, rather than making last-ditch efforts. Rather than making a first-ditch effort, keeping our workers on the highway, we made a last-ditch effort, we sent Ambassador Gotlieb over to meet with Secretary of Commerce Baldrige in Washington. I was there last Wednesday and I know what we argued. We argued on the basis of natural justice and double jeopardy. It was a very simple case and it should not be proceeded with. We had appeared before the same quasi-judicial body in 1982-83, and we had been acquitted. Under British common law if you appear before a court and you are acquitted you cannot be tried on the same charge or it is double jeopardy.

The U.S. clearly was not intending to accept that. The Congress was not prepared to accept that. Arnold and Porter were aware of it in January and the Minister for International Trade has been aware for at least a year that there were growing protectionist difficulties in relation to softwood lumber. No serious efforts were made to get the kind of information out in a two-pronged attack, first, in those states that produce lumber to make sure they understand the real issues here, which is that Canadian SPF is preferentially purchased in the United States. Our increase in the market has tracked U.S. currency. The Americans know that. The differential between their dollar and ours has given us an advantage in their market.

Rather than talking about currency and the beneficial effects that a devalued U.S. currency would have on problems like this, they have argued, as Thomas Niles, the U.S. Ambassador to Canada, has, and as Paula Stern, the Chair of the ITC, James Baker and the President himself have continued to argue, that it is the size of our balance of trade surplus—they are always saying it is \$6 billion in the first quarter of 1986—that is really at issue here.

When they talk about levelling the playing field, they are talking about levelling the balance of trade between our two countries. They do not want to talk about service or about dividends going from Canada to the United States, they just want to talk about the trade surplus that we have with the U.S.

Let us take a look at some of the other points raised in the opposition motion today. It goes on to say:

The Government to take immediate action (1) to assist workers in the lumber industry and in the shakes and shingles industry by invoking the Employment Support Act.

Well, my colleague from Essex—Windsor raised that in March and the Government said no in March. It said it was not going to look at that. Now on Friday we see the Secretary of State for External Affairs (Mr. Clark) saying, yes, that is what the Government is going to do, it is going to invoke it, but it is not sure when or how.

I think we have to look at history, because if we do not understand history we are going to get ourselves into a lot of trouble. In 1971, when this Act was invoked, it allowed for up to two-thirds of a tariff placed against Canadian commodities

going into the U.S. market to be picked up through the employment standards legislation. This means that if there is a 10 per cent duty, up to 6.6 per cent could be picked up. There is a 35 per cent duty placed against the Canadian shakes and shingles industry. Very little of our product is crossing the border between British Columbia and Washington today because of that duty, and we have stockpiled some south of the border. If the Government is proposing to apply this Act to the shakes and shingles industry and is saying that it will provide up to 24 per cent or 25 per cent of the cost of that duty to the Canadian producers, the Americans will not simply stick to the 201 ruling, they will clearly go back before the Department of Commerce and file another petition stating that there are grounds for finding that there is a subsidy because it will be going directly from Ottawa to those facilities in British Columbia. I am not sure that the Government has not taken into consideration these possible future problems that may exist as a result of this action, now that the tariff is in place.

• (1540)

The motion goes on to say that the Government should take immediate action by assisting in every way the softwood lumber industry in making the Canadian case before the United States International Trade Commission. A few weeks ago I asked the Secretary of State for External Affairs (Mr. Clark) whether the Government would provide some financial and legal support to our case before the International Trade Commission, to which the Minister said yes. I understand that part of the negotiations in Vancouver this Friday will include looking at the amount of funds that can legitimately be provided to the lawyers who are carrying on our case in Washington.

A lot of money has been spent. The Canadian forest industry has spent so far some \$10 million in lobbying and about \$3 million in preparing for litigation. The litigation that will take place between now and the week of June 23 could certainly run into the millions of dollars again, and the Government has a vital responsibility to provide as much legal, technical, informational and financial support as it can.

I am sure that the Minister for International Trade will agree that substantial funds should be provided to the workers so that they can prepare not only for the legal case, but can get information about what kind of dislocation could occur as a result of the various levels of tariff. The Government has not yet conducted such a study. I disagree with Peter Bentley who said, on behalf of Canadian forest products, that a 5 per cent to 10 per cent countervail would not affect our industry. I do not know why he said that. I do not know why Mr. Widman, Mr. Bule and others have made similar statements that are not very supportive of Canada's forest industry.

I have asked in the committee and in the House why the Government has not seriously considered the ramifications, particularly for Canada's 300 single industry communities such as Williams Lake, Kamloops, Prince George, Terrace,