

*Oral Questions*

investment for people who want to do business in the North American market.

He attacks a report prepared by a former senior trade official of the United States government, Gary Hufbauer. His report finds that if this North American free trade agreement is entered into our trade surplus with the United States would be reduced by \$250 million a year each year between now and 1995.

Why is the government pursuing a deal which would have a negative effect on our trade with the United States, up till now our best customer?

**Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)):** Mr. Speaker, I think I could ask the hon. member why, when he is constantly attacking the Americans, he suddenly turns around and quotes American researchers as if they are gospel. This particular report is based on Americans doing American research.

The hon. member makes the point that the free trade agreement has not set a good context for NAFTA. Does he know that we have gone from a deficit position in net investment with the U.S. to a very substantial surplus since the free trade agreement, plus our exports with the United States have also increased from a \$13 billion surplus to a \$17 billion surplus, plus we have a dispute settlement mechanism?

It has been a good deal for Canada, and I will always be proud to stand in this House and defend it.

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**SOFTWOOD LUMBER INDUSTRY**

**Mr. Réginald Bélair (Cochrane—Superior):** Mr. Speaker, my question is directed to the Deputy Prime Minister.

A few weeks ago the Minister for International Trade indicated in the House that indeed the Employment Support Act could be of some help to the ailing softwood lumber industry.

Given that the free trade process could well take over a year to resolve the dispute and given that the industry needs help now, when will the minister announce on behalf of the government if indeed the Employment Support Act will be used or some other assistance plan for the softwood lumber industry?

**Hon. Frank Oberle (Minister of Forestry):** Mr. Speaker, the act to which my hon. friend refers dates back to

an era before we had a free trade deal and other labour adjustment policies and programs.

As well I should point out to my hon. friend that the industry has been quite successful in passing through to the American consumer the additional costs that are inherent with the countervail duty action and the preliminary findings in the United States. In fact lumber prices have doubled since a year ago, and they have increased between 35 and 40 per cent since the first of the year.

• (1440)

For the moment the sting is out of the system. Nevertheless we are concerned about it and we are hoping that the procedures we are engaged in in the United States fighting this action will be successful.

**Mr. Bob Wood (Nipissing):** Mr. Speaker, my question is also for the Minister of Forestry.

It has been revealed that the U.S. commerce department is using a member of the Coalition for Fair Lumber Imports to investigate the claims of our softwood industry. This is the same body that wants to impose duties of over 30 per cent on our exports. It seems that the tinpots and the low-level functionaries can sure make a lot of noise.

What is the minister going to do to ensure that our industry gets a fair and impartial hearing in Washington and is not victimized with biased feelings?

**Hon. Frank Oberle (Minister of Forestry):** Mr. Speaker, we have invited the investigations of anybody because we have nothing to hide. We will have no difficulty at all proving to any objective observer from anywhere that our lumber industry and our wood products sector are not subsidized.

We intend to assert ourselves in that fashion not just with the commerce department in the current investigation, which has a couple of unfortunate preliminary findings, but also under GATT. Eventually the case will be appealed under chapter nineteen of the free trade agreement.

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**CAMP IPPERWASH**

**Mr. Robert E. Skelly (Comox—Alberni):** Mr. Speaker, on April 16, 1942 the Department of National Defence expropriated land belonging to the Chippewas of Stoney Point, Ontario, under the War Measures Act. The government promised to give the land back when it was no longer needed for the efficient prosecution of the war.