

Supply

dispute, Gibbons said the matter should be settled through legislation, not negotiations.

It appears that this is what is likely to occur. That is what Sam Gibbons said to me two months ago. Some time in late May or June his Bill, or some omnibus Bill like it, will move to the floor of Congress and will move on through. I think now the deal will likely be that the President of the United States will get the Republicans to fully endorse and put their support behind that kind of omnibus Bill.

● (1240)

I find it preposterous that the Government has done nothing about such an important industry. It continues to say there was a clean launch, but there was not a clean launch. It is very clear now from what the President of the United States is saying that at least in his mind—because he was putting pressure on members of the Senate Finance Committee the day of the 10-10 vote—he knew full well there was no intention of going forward with a clean launch. Now we know there was not.

Let us take a look at the industry which is now at such great risk and examine what the implications are likely to be. It is amazing to find out from discussions I have had with the two Ministers, the Minister of State for Forestry (Mr. Merrithew) and the Minister for International Trade, that there is no study being done even now of the impact or implications of a countervail, or of the changes proposed in the Gibbons Bill, or of any of the independent postures referred to by the President of the United States.

This is the largest industry in Canada which employs directly 300,000 persons and indirectly another 700,000 persons. We have the largest single industry which is worth \$26 billion per year. We know it has troubles with insects, forest fires, over cutting, bad provincial replanting programs, and so on, but the fact is the federal Government is supposed to carry the ball on these kinds of issues. The Prime Minister and the Government have clearly dropped the ball on this issue. This is the most important free trade issue Canada has, and our Government is allowing it to slip through its fingers. It continues to make concessions.

This Friday, I understand, the Bill to spend a couple of hundred million dollars on generic drugs will be reintroduced. That is something else the U.S. wants, so it gets it. The last time we had envoys on acid rain, as my friend in the New Democratic Party pointed out, the former Premier of Ontario gave us zip. He gave us absolutely nothing on acid rain. Whatever happened to cleaning up the Niagara River? What has happened on a lot of other bilateral disputes? Nothing.

The Minister has the audacity to rise in this House and say the softwood issue is a serious problem. The reason it has become a problem is that he and his Department, and his colleagues in Cabinet, have done nothing about it. The U.S. pushes the button; the United States says it is a problem and all of a sudden, bing, he stands up in the House and reads another pre-typed speech saying it is a serious problem. When

Canadians have a problem with the United States it is very rarely even raised in the United States. No one in the United States Congress ever stands and says this is a terrible problem. I wonder who is writing these speeches for the Minister. Perhaps he simply does not understand what this issue is all about.

I would like to put on the record a few reasons why this is such an important issue and why it is going to continue to be raised, and hopefully we will bring about some action from the Government. Seventy two per cent of our exported softwood goes to the United States, 12 per cent goes to Europe and 6 per cent to Japan. Our net trade surplus last year from softwood was \$11 billion. Right now we hold 33 per cent to 34 per cent of the U.S. market. That has traditionally been about the amount of the U.S. market we have held. It has been free for over 40 years. We have had fully free trade between Canada and the United States. Yet on the eve of the so-called "free trade" negotiations with the United States, our largest freely traded commodity is what is under attack by the Reagan administration. Has anyone not woken up to that yet? I just cannot believe Hon. Members on the Government side think these so-called "free trade" negotiations are going to go anywhere when our largest most consistently freely traded commodity is what is under attack.

We exported \$3.3 billion in softwood to the United States last year. The overwhelming majority of that softwood came from British Columbia. It reached the point in some States such as Georgia, which is why there is a political issue being raised in the U.S., where 50 per cent of the wood used is spruce, pine, and fir number one from British Columbia. Again, it is exchange rates which are at the root of this problem and the fact that consumers in the United States, particularly contractors, preferentially purchase our SPF, particularly over southern yellow pine.

I want to deal now, Mr. Speaker, with why what is happening is a carefully calculated execution by the United States. It is not something which has suddenly been popped on us, although I am sure many journalists, when a Bill is finally passed through Congress in the next six weeks, will say: "Good grief, how did this get popped on us? We suddenly have this Gibbons Bill on our backs. How can this happen? Tens of thousands of Canadian workers are going to be put out of work and we have to come up with a dramatic new budget and new ways of dealing with this problem", and all of this kind of gobbledygook.

We have known for a long time that this was a serious political issue in the United States and we have done nothing serious to deal with it. We have had the little tour to Prince George. We have talked about the size of plywood and what kinds of insect repellants we are putting on the ends of two-by-fours, and so on, but we have not got down to the brass tacks of dealing with the United States in a way it expects every other country in the world to deal with it. We have to get our message across.