

Supply

The 35 per cent tariff is going to leave them with only a fraction of their business and they are going to have to lay people off. They feel they have been betrayed. They ask where their Government was when this happened. Why was this 35 per cent tariff imposed? It was like a bolt out of the blue to them. They had heard vague rumblings that something was happening in the United States, but they wonder why their Government was not on the job looking after them. What good did it do them to have a Prime Minister who constantly proclaimed his friendship with President Reagan? When it came to the crunch that did not mean a thing.

I am reminded of the words of the American humorist, who, I suppose, had some insight into the American character, who coined the expression: "Christmas is over and business is business". It seems that the friendship between the Prime Minister and President Reagan is over and business is business. Right now the American Government is in the business of mid-term elections and that is what is important to Americans. They are concerned about who will win the election. In order to win the election there is a great deal of protectionist talk. Canadian interests are completely expendable in that talk.

When it comes to the crunch, the United States will always act in its own interest or in what it sees as its own interest. It is important that we act in our own interest as well. We cannot condemn the United States for acting in what it perceives to be its own best interest. That is a natural thing to do in this world. Why are we not acting in our best interests? Our Government is not doing that. Instead, for the past year and a half the Government has been constantly proclaiming that the United States is the best friend we have ever had, that we can depend upon it to give us a good deal if only we are supportive of it, and that we have to give it every benefit of the doubt. We have given it the benefit of the doubt and it has now given us the benefit of a 35 per cent punitive tariff imposed on our shake and shingle industry. That is only the beginning. We have also seen the imposition of a 41 per cent tariff on certain steel products. We wait with considerable anxiety for what is going to be coming down in the days ahead on our \$3.5 billion softwood industry.

● (1600)

Canada is highly dependent upon exports. Indeed, it is overly dependent on exports, particularly the export of primary resources, semi-processed and otherwise. In debates a few years ago on this subject, when members of our Party spoke of the need for a more diversified economy, prominent Conservatives said that there is nothing wrong with being hewers of wood and drawers of water. As someone who has worked in the woods I certainly appreciate the dignity of that kind of honest labour. However, the question we ask and the question the Government should be asking is, what happens to the hewers of wood when nobody wants to buy the wood anymore? They are laid off and become redundant.

The history of the forest industry in British Columbia, indeed in all of Canada, is a history of boom and bust. This reflects our dependence on external markets. Those markets have been in the U.K., Europe, and other parts of the world, but in latter years they have been primarily in the U.S. When we look at the action the U.S. is taking against us right now, we should not for a moment suppose that it is because the U.S. does not want our timber. It is simply that it does not want it right now. It is just not convenient for it to have our timber and our cedar shakes and shingles going into its market at the present time.

A few years ago the U.S. approached Canadian lumber producers seeking assurances that we would continue to supply its markets. It looked to us as a dependable reservoir of resources. However, like with all reservoirs, it wants to be able to turn the tap on and off to suit itself. Presently it does not want our shakes and shingles, or it wants the raw product so that it could process it itself and have the jobs.

It has been said many times in this House that up to 4,000 jobs are affected by this 35 per cent tariff. That does not take into account the spin-off jobs. This afternoon both the Minister of Finance (Mr. Wilson) and the Secretary of State for External Affairs (Mr. Clark) denied that 4,000 jobs were affected, but they did not say how many were. Certainly it is a very significant number. Until I hear a better figure from the Government I am prepared to be very concerned about 4,000 jobs in that industry. The Government's attitude is perhaps reminiscent of the senior Canadian diplomat in Washington who was quoted in *The Vancouver Sun* last Saturday as saying to American officials that it would be no big deal if the Reagan administration put a protective tariff on Canadian shakes and shingles. The official is quoted as saying that there would be a lot of rhetoric but it would not really be a big matter. For the Province of British Columbia, suffering from continued high and long-term unemployment, the loss of an additional 4,000 jobs is a big deal. It is not just a matter of rhetoric, and we would like to see something more than rhetoric from the Government.

Over the past 10 years we have seen the Canadian share of the American softwood lumber market grow from about 20 per cent to almost 32 per cent. That indicates very clearly that we are able to compete. We have skilled workers in our industry. We have better mills. Certainly the lower value of the Canadian dollar has been a significant factor in this increase. As to shakes and shingles, the fact that we have better resources of cedar than the northwestern United States is a significant factor. This tariff is not going to mean that the Americans can sell more of their own shakes and shingles, unless we are stupid enough to supply them with the raw product. I hope that is not the case.

While we have shown we can compete, and there are powerful forces in the U.S. who do not want us to do so, it is important to recognize that there are also market forces in the U.S. who do want our product. It is important to recognize that U.S. consumers are going to be hurt by this tariff, just as