

Supply

This morning I also spoke to another mill operator who told me that his bank had already contacted him to say that his credit line was in jeopardy in view of the current situation.

At this time I want to make a plea to all those in the banking community to take a responsible role in their community and not over-react at this particular time. As was pointed out, the entire scenario has not evolved and so a true evaluation cannot be made. Panic on the part of the banking community would just add to the dilemma we are already facing.

This might be viewed as a knee-jerk reaction, but a considerable number of questions remain unanswered over this entire issue. Confusion has led to nervousness, and this has led to the shut-down. Confusion still exists over the effective date of the tariff. The American administration has yet to clarify on what date the tariff will be imposed. There are rumours about retroactive action and there is a question about the price on which the tariff will be calculated: the price at the mill or the price on delivery.

This confusion is understandable and it must be cleared up so that the long-term adjustments can be made. Hopefully, these adjustments will not be necessary at all. However, the short-term problem is still the one that looms large today. With 3,000 to 4,000 jobs about to be lost, communities like Mission could end up as virtual ghost towns. I want to reiterate how this will impact on Mission, a community already plagued with an unusually high unemployment rate.

As tragic as it may sound, the truth is that unemployment in the Mission area is currently about 27 per cent. Studies conducted a year and a half or two years ago by the Fraser Valley College indicated actual unemployment in Mission and the surrounding area at close to 50 per cent. Who would want to contemplate the social and economic consequences of this latest blow on a community suffering as this one already has?

What did the previous Government do to head off this tariff action when it was first rumoured three years ago? Did it heed these warnings? Yesterday, I spoke to Mayor Agnew of Mission, as did the Hon. Member for Vancouver Centre (Miss Carney), the Minister of Energy, Mines and Resources, who has taken a lead role in making certain that everything possible is being done for British Columbia. Let me relate what Mayor Agnew told me yesterday. He said: "We met with every key member of the previous Liberal Government three years ago and warned them that this problem was there and that action like this was coming." He said: "Needless to say, nothing happened. They didn't respond".

I spoke to Mayor Griffen of Maple Ridge. He said: "It is devastating and I have nothing else to say, Gerry." Ladies and—

Mr. Fulton: Where are you going to give this speech, Gerry?

Mr. St. Germain: I am so concerned about the people in Mission—Port Moody that I am thinking of the ladies and

gentlemen there rather than Members here because I think we are insignificant in the over-all picture of this situation.

The response of the previous Liberal Government was ignorance, arrogance and complete indifference—so typical of the Liberal response to British Columbia concerns for so long.

Today, our Government has responded and we plan to act. We have the information at hand that has been provided by the industry itself. They are concerned, and rightly so, for their industry and their future. They assembled a data sheet which clearly amplifies the impact of this industry on the British Columbia and Canadian economy.

The tariff as imposed by President Reagan will have the effect of a direct loss of 4,000 Canadian jobs, equalling a payroll of \$100 million and benefits of \$28 million. There will also be a considerable dollar effect on the Canadian economy due to lost spending: \$100 million in raw materials such as logs and blocks; \$55 million in transportation; \$25 million in supplies; and \$36 million in short-term financing. This results in a total of \$344 million in a direct job and dollar negative effect on the Canadian economy. Indirectly, there will also be an effect on 20,000 additional jobs, as was pointed out earlier.

The cost to the provincial and federal Governments in unemployment insurance claims will be overwhelming, to say the least. The loss to provincial and federal coffers from tax revenue will be millions of dollars. There will also be related effects on transportation and wholesale and retail contracting industries in the United States.

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It must be made clear to everyone involved that the protectionist Act by the President serves to destroy a significant portion of the United States economy as well as ours in Canada. The destiny of the American producer is not directly related to the state of the Canadian industry. There are other significant reasons why they are not competitive. The United States producers have a shortage of raw material and lack of control over what existing materials there are. Prices for raw materials are higher than they can afford to pay. In addition, the American industry has failed to automate and expand capital to reduce unit costs. These factors, in conjunction with the loss of traditional markets, is what has caused the decline in the American industry. The punitive action taken against the Canadian red cedar shake and shingle industry will do a lot of damage to this industry within a matter of months.

I wish to conclude on a very positive note. This tariff action comes as a complete shock to us all. The potential for disastrous effects is frightening. On the other hand, an ironic situation flows from the events of the last few days. This tariff action points clearly to Canada's reason for pursuing a comprehensive trade agreement with the United States. It is telling why Ambassador Reisman's efforts are so vital to Canada. If he achieves nothing else at the negotiation table, Ambassador Reisman must convince the U.S. that protectionism and actions such as the one launched by the President on