

The coming months will be some of the most crucial in Canadian industry as these negotiations proceed and we fight various trade actions already in place against us. It will take all of Canada's strength and determination to persist in the effort to negotiate a new arrangement in spite of the frustration and anger provoked by trade actions on both our parts.

Some spokesmen have demanded a standstill of trade action on both sides of the border until the negotiations are completed. Unfortunately, this is not a practical alternative. We Canadians would never agree to refrain from protecting our workers in the event of some illegitimate or illegal practice taking place to our detriment and, of course, neither would the Americans. We do have a commitment made in Quebec City by the two leaders to fight protectionism as energetically as possible and to make sure that legitimate remedies designed to protect fair trade do not serve as a front for simple protectionism.

In a dangerous world Canada is reaching for a secure future for its workers and its entrepreneurs. The action launched by the U.S. coalition to use countervailing procedures to artificially inflate the price of lumber is a double threat. It is, first, a threat to the historic initiative upon which so many of our hopes are pinned. Second, it is a threat to the workers across this country whose livelihoods depend on the unimpeded flow of a product they produce with such tremendous effectiveness.

The Government of Canada will fight this action with all its energy. At the same time we will resist the voices of despair which urge us to cancel the trade talks in a pointless gesture. We intend to move forward with determination to build a more secure and profitable trading future for Canada.

The Acting Speaker (Mr. Paproski): Are there questions or comments? There being no questions or comments, I will recognize the Hon. Member for Skeena (Mr. Fulton) on debate.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have the opportunity to participate in this debate. It is a debate in this Parliament as to how we will handle our relations with the U.S. in the face of protectionism which is clearly on the rise in the House of Representatives and the Senate in the United States. I would first like to deal with the motion before the House. It requires close scrutiny with regard to the potential effects. The motion reads:

That this House condemns the lack of care and concern for workers in the cedar shakes and shingles industry and in the softwood lumber industry shown by the Prime Minister in his letter to President Reagan, in which he clearly put his personal interests ahead of those of working Canadians and calls upon the Government to take immediate action—

The motion goes on to list four points which I will come to in a moment.

I am troubled by the remarks of the Secretary of State for External Affairs and the Prime Minister with regard to the so-called Quebec Accord, the agreement reached between

Supply

President Reagan and our Prime Minister (Mr. Mulroney). That Quebec agreement has already been broken. The unilateral action taken by the President against the shake and shingle industry was a breach of what was agreed to in Quebec a year ago.

The effect has been dramatic. Some of the shake and shingle mills have already physically closed. The workers have been laid off and are applying for unemployment insurance. We have listed some names in the House. This is affecting many mills in the Fraser Valley, the lower mainland, the Queen Charlotte Islands, the western part of British Columbia, and many places on Vancouver Island where bolts, shakes and shingles are produced.

It is worth taking a look at the now famous June 2 "Dear Ron" letter from our Prime Minister to the President of the United States. It is worth reflecting on what our Prime Minister was most interested in, as we see in the first paragraph where he says:

I thank you for your thoughtful letter of May 29, 1986, received today. I accept your apology for the communications breakdown involved in the absence of prior notice to me of the action respecting shakes and shingles. I particularly appreciate it because, quite frankly, this absence of notice was damaging to me personally and to my government.

I would have hoped that our Prime Minister might have gone beyond the lack of notice from the President being damaging to him personally. I would have thought he might have mentioned the effect on workers, particularly in British Columbia where some 4,000 are directly affected. The effects include payroll costs of \$100 million, benefits of \$28 million, raw material in logs alone of \$75 million, blocks of \$25 million, \$55 million in transportation, \$25 million in supplies and \$36 million in short term financing, for a total of \$344 million. There are also a minimum of another 20,000 jobs indirectly affected. There are almost 25,000 jobs affected and the Prime Minister is saying: "Dear Ron, because you didn't tell me you were going to put a 35 per cent tariff against the shakes and shingles you have hurt me personally". What about Canadians?

I think the letter is very revealing of the Prime Minister's position on this issue. The Prime Minister went on to say:

This incident will not alter our personal relationship. Like the historic friendship of our two countries, our personal relationship is too valued to be diminished by occasional misunderstandings, however important.

I think the loss of all those jobs in British Columbia is something more than an occasional misunderstanding. I think it was a Draconian act by the President of the United States. The chair of the International Trade Commission, Paula Stern, made it clear when she voted against any tariffs being placed that it was not going to be in the interests of the United States, nor would it be in the interests of Canada because the shake and shingle industry in the United States is going to be severely damaged as well.