

Supply

surely, to stand up for Canada's number one industry, our forest industry. But all we have seen so far is ample evidence that, again, the Prime Minister (Mr. Mulroney) naively believed the President of the United States when he said: "Listen. I'm making a deal with those senators in the Finance Committee. I want to get these trade talks on to the fast track. To do that I have to buy them off. I've got to appease these people somehow". What he really said was: "Don't worry, those of you from the lumber producing States, particularly in the Pacific northwest, I'll support you in your bid for countervail. Don't worry about it". He said, if necessary, he will take unilateral action if the bilateral talks fail and he will be pressing for a resolution to this problem.

The problem is that we are able to compete in that market. The United States perceives that as a problem in the same way as it perceives the fact that our red shake and shingle industry was able to compete successfully in its market is a problem. The United States realized it was receiving real competition from Canadians and it had to do something about it so it has asked for the imposition of a tariff.

This concerned our Party in terms of what it means for free trade, enhanced trade or improved trade. If it means that once we have a level playing field as we have had in the soft wood industry now for 50 years, if the playing field is levelled and Canadians are doing well in the United States market, and if its response is to come in with a countervail every time we do so, what is in it for Canadians and for Canada? Yet that is the only conclusion we can draw. That is why we say in this motion that free trade talks cannot continue as long as the United States administration plans to have a countervail continuously hanging over our heads.

We are going into free trade talks next week and over our heads hangs an axe. The axe is the threat of the imposition of a 29.1 per cent countervail on soft woods going into the United States from Canada. That is not the kind of good faith in which I think Canadians had envisaged we might enter these talks. This is not the kind of environment, the kind of milieu, the kind of open discussion we were anticipating with our friends to the south.

In closing I want to say we feel, as New Democrats, that the Government has essentially decided to sell out the forest industry of our country. It has decided to sell out our forest industry which is represented in the hinterlands of Canada. It has either entered into a deal knowingly with the President of the United States or it has acted naively thinking that the President will act in the best interests of our forest producers. That is why we feel very strongly and have suggested today in an Opposition Day motion that this issue be debated, that the Minister explain what studies he has and to show evidence of what these countervailing duties which will be imposed on Canada will do. We want to know what kind of studies, what kind of information he has and has he involved the provincial Ministers responsible for our forests. When we think of this critical industry and when we think of the brink to which it has

been brought in the last number of days, we must, as parliamentarians, ask ourselves these questions.

As my hon. friend for Skeena has indicated many times the Government of Canada should have taken advantage of the hundreds and hundreds of articulate experts in terms of the forest industry who should have been in the United States lobbying every Senator and every major decision-maker in every conceivable State in the United States. It should be indicated very clearly we are competing in a free market situation. We have no subsidies in our particular industry. We are operating sort of on a toe-to-toe, nose-to-nose basis. The fact is we have invested heavily both in terms of job loss through technological change and modernization of our plants. We are doing very well, thank you. That is the kind of action which should have been taken, not the kind of non-action or the mealy-mouth approach of this Government in terms of protecting Canada's number one industry.

Mr. Caldwell: Mr. Speaker, I think this could prove to be a very interesting day. We may find out where the New Democratic Party actually does stand on enhanced trade. Would the Hon. Member comment on a quote from *The Toronto Star* yesterday by Marion Dewar of the New Democratic Party. She said, and I quote:

The real alternative for Canada (and for the United States, I might add) is a policy that emphasizes self-reliance and puts an end to the no-win contest. A nation's economy must stop being based on the illusion that it is possible for every nation to export more than it imports. It does not add up.

Does the Hon. Member agree with that comment? Is this the way the NDP is going? Does the Hon. Member think that we should not be in the export market but simply produce for ourselves and place a border around Canada?

• (1130)

Mr. Riis: First, I agree 100 per cent with that statement, Mr. Speaker. Unless there were parts of the statement not read, I did not hear the Hon. Member suggest that she said we should erect trade barriers around Canada. I did not hear the Hon. Member say that she said we should not participate in international trade. What she did say was that we should strive to be more self-reliant, to do what any self-respecting country would do; that is, to take advantage of our own resources, to process our own resources, and not get into a sell-out mentality.

I know that if Marion Dewar were in the House today—and she might be one day—she would be standing in her place saying that the Canadian forest industry is too valuable and too important to use as a trade-off or a sacrificial lamb in free trade talks. That is what she believes and that is what she thinks. Quite frankly, she thinks that there should be more of an effort made for Canadians to become self-reliant in these areas. That is the type of initiative most progressive countries are taking. Of course, hand in hand with that goes some obvious trade initiatives which any major trading country such as Canada would obviously launch.