

so that we could carefully monitor the effect on Canadian industry and our participation in the American industry.

Let us look at what that would have done. The Americans' argument that we were subsidizing our industry through stumpage would have disappeared, because they would have had access to the same wood. With sixth month renewals of a three-year contract we could have stopped the deal immediately should there have been harm, and we could have looked for another alternative. We would have been able to buy time for an adjustment to allow our industry and our Government to work out another position with the U.S.

The logging industry has been devastated on the coast of British Columbia. Most logging communities have seen more than half their employment destroyed. Alberni, one of the highest per capita income areas in Canada for a long period of time, lost 6,000 jobs in the forest industry. Had we opened that area for a short period with renewable six-month agreements with the Americans, log sales would have escalated and employment would have been developed where it has been receding. We would not have compromised our sovereignty and we would have given ourselves time to seek a negotiated solution, up to three years. Political realities would have changed in the United States, and I suspect that we would have been in a far better situation to solve this than the way we have dealt with it, without anywhere near the job loss. In fact, there would have been a substantial increase in employment. Canadian communities would have benefited. Canadian sovereignty would not have been impinged. Our trade relationship with the United States would not have been harmed and we would have built in a safety valve to protect ourselves with that short-term agreement.

There would have been some benefit to American mills. The Americans had proposed this in a roundabout way. They wanted to bid on Canadian timber and log it, but that was unacceptable. Had we allowed the Americans the right to bid on it in a purchase arrangement, Americans would have had logs at the same price that Canadian enterprises were buying logs, and that would have been the end of the discussion. It would have caused nowhere near the harm that has been caused. It would have enhanced employment in many areas of the country that have serious problems.

To recap, how did we get into this problem, Mr. Speaker? We got into it because the Premier of British Columbia put the Canadian Government, the Canadian producers of softwood lumber, and the Canadian workers in that industry in an absolutely untenable position. He broke ranks with the rest of Canadians and said: "I know better. I can solve this myself. We are guilty of exactly what the Americans have falsely accused us of and I will make a separate deal with them if the Canadian Government does not see it my way". If we had one more premier like that in Canada, Canada would be in a terrible position. If we had two or three people that irresponsibly we would not be able to deal in an international forum.

We should recognize that we chose probably the least productive way of doing this. I do not think anyone in this

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House, either in the New Democratic Party, the Liberal Party or the Conservative Party, is satisfied with what has happened. People are not satisfied with the agreement concluded by the Government. Unfortunately, when you work with a gun to your head you work under great pressure. There are those who define it as, "We got the best deal we could". Unfortunately, I do not think we did. I think we had a solution at hand that the Americans would have accepted, and that we could have accepted over a short period of time. We would have resolved not only the problem of curtailing softwood lumber exports in the United States market but created enormous employment.

The success of the Americans in doing this with softwood lumber is quite an incentive for them to try the same tactic against any range of Canadian products. They know if they go to the Province of Saskatchewan and choose a product sensitive to the economy of Saskatchewan, force the Canadian Government and the Saskatchewan Government up against the wall hoping that the Premier of Saskatchewan will cave in the same way as Bill Vander Zalm caved in, by cutting ranks with Canadians, trying to make a separate deal with the Americans—a deal that would not have been any good for British Columbians—they would see that product subjected to the same kind of extra territorial control that softwood lumber was exposed to. This could apply to every product about which the Americans are concerned.

As a recap, the Canadian Government did respond to this dilemma with a gun to its head. Unfortunately, I am convinced that the Government is not satisfied, that organized labour is not satisfied, that the producers are not satisfied and that the other provinces are not satisfied. We got into this situation because of the Premier of British Columbia's ill-conceived remarks, and we chose the wrong solution.

The Acting Speaker (Mr. Paproski): The Hon. Member for Carleton—Charlotte (Mr. McCain), and then I will recognize the Hon. Member for St. Henri—Westmount (Mr. Johnston).

Mr. Fred McCain (Carleton—Charlotte): Mr. Speaker, there is an element of what is morally proper for political Parties to do in pursuit of public support. I think the Opposition Parties in this particular instance have gone far beyond the proper moral bounds of advising the public of Canada about a particular situation. I think this is a precedent which has retained our opportunity to negotiate and to avoid what might very well have been a catastrophic imposition of surtax or duty on our exports of lumber to the United States.

There seems to be no recognition of the nature of the Congress of the United States, or that a group of people interested in improving the status of the economy of their own community will join with other groups. You have the lumber group, the steel group and the agricultural group. There was no doubt, with the mood of the United States Congress, that if this matter was not decreed by industry, trade and commerce of the U.S., that it would have been decreed by legislation. I think this is a precedent of negotiation of which all Canadians