

*Supply*

**Mr. Brisco:** Give us the corollary to that.

**Mr. Riis:** On top of the sacrifice, our forestry workers have developed their expertise to become among the most productive workers in the world. We have modernized our sawmills. Our employees in those mills and in the forests are among the most efficient and competitive in the entire world. We now represent some 34 per cent of the softwood markets in the United States.

Our free enterprise friends in the United States are saying that they cannot compete any longer because their mills are antiquated and their employees and operations are less productive. Since they cannot compete with their counterparts, they say that they will stop this free trade nonsense and impose a countervailing duty of 29.1 per cent on Canadian exports of softwood to the United States. The American image of free trade is that it is acceptable as long as the Americans benefit. However, the minute that we are able to compete successfully in their market-place, they no longer will accept that competition.

Do Members opposite really believe the President of the United States when he says they can trust him because he will resolve this issue? Recently, we became aware of a letter sent by the President of the United States to the Senate Finance Committee Chairman, Mr. Robert Packwood, in which he promised: “—to press for an expedited resolution to this problem—” he calls it a problem: “—independent of the comprehensive trading negotiations.” Mr. Reagan and his administration will resolve this problem of our competition in their markets, quite independent of what is taking place.

What is the Government of Canada doing about it? Nothing. It is making the forest industry of Canada the sacrificial lamb in the trade talks. That is the industry the Government will toss out and those are the regions of Canada that the Government is abandoning, perhaps in a vision of some benefits to the industrial heartland as a result of free trade. The Government has abandoned the forest producing areas of this country.

The President went on to promise to take unilateral action if the bilateral lumber talks fail. What is the Minister's response? It is to send an envoy at the eleventh hour to the United States to do a little PR work. He will make deals, give concessions, agree to some form of a countervail because the President of the United States made it perfectly clear that he and his administration are going to resolve the problem of our competition in their market-place. The only way that problem can be resolved to the satisfaction of the United States is for our Government to cave in. If one looks at members of the Government, one can see that the knees of their suits are all worn out because they have been down to Washington on their knees so many times. Next we will find that knee pads will be mandatory for Conservative Members of Parliament. That is the kind of negotiations we see going on with respect to this issue. If anyone believes that our forest industry is going to come out of this unscathed—and when I say “unscathed”, I

mean the price we will have to pay will be tremendous—they are wrong. The President of the Canadian Lumbermen's Association was talking the other day about the loss not of hundreds of jobs, not even of thousands of jobs, but of tens of thousands of jobs in every region of this country. At a time when that industry is experiencing 25 per cent to 35 per cent unemployment, the best we can do at this critical hour, during this moment of crisis, quite frankly, this process of sell-out and con job of the people of Canada, is to send an envoy.

• (1120)

Has the Minister of State for Forestry (Mr. Merrithew) included the provincial Ministers in this decision? Have the provincial Ministers been consulted and involved in what this set of concessions will inevitably be? I notice the Minister of State for Forestry managed to find enough money to pay for five or six people to deal with the wood issue in this coming year. That is what his budget to deal with this crisis will allow.

The industry itself spent \$10 million last year trying to work through this matter to a successful resolution. But the Minister of State for Forestry, representing all the regions of Canada, managed to come up with perhaps five or six individuals. We are up against a giant in the United States. We are up against one of the most sophisticated mainline lobby groups in the United States ever encountered by the administration there and our Minister of State for Forestry comes up with five or six people and, to be fair, \$500,000 to fight this issue. At the same time he could find \$4 million to advertise forestry. The other day we received buttons, seeds and so on as a result of the Government's efforts to raise the consciousness of Canadians about our forest industry.

I ask the Minister of State for Forestry what the point is of raising the consciousness of the people of Canada for forestry if we do not have a forest industry to support? Unless some strong action is taken we are going to see President Reagan cut off the Canadian forest industry. We are going to hear this Government, again in co-operation with the President of the United States say: “I guess this is the price we have to pay for free trade talks”.

I am looking forward to the debate today. I will be interested to listen particularly to the Members of Parliament from British Columbia and to Hon. Members from the forest producing areas of this country. I would like to see them stand up and tell us what they are doing about this countervail threat. What have they already done about the threat in the red shake and shingle industry? It has already gone before the ITC. It has already been recommended to the President of the United States to go ahead with the 35 per cent duty charge. What has the Minister done on this particular issue which will again cost hundreds and hundreds of jobs even in just the southern part of British Columbia?

One Hon. Member stood up the other day and in one line of his statement indicated that Mr. Reagan should know what this will do to jobs in British Columbia. But that is not good enough. The Government has been given the responsibility,