

Softwood Lumber Products

to grow, but it is not as big as it should be. Lumber is increasingly important, and the fact that 70 per cent of our lumber products are exported to the Americans is very significant. If the Alberta Government feels that it is the best possible solution under the circumstances, then it is. I have to stand up for what our provincial Government is stating in this case.

The Alberta Government has also stated that the Alberta forestry industry will be closely consulted about any changes which might be made to the current stumpage system. I should like to return to consultation. It is very important for our province and for our country. I am glad to see that our province will be consulting with industry and that the federal Government will continue to consult with our province and with other provinces as well. These are very important factors.

To set the record straight, the United States issued a statement on January 2, 1987 in which it made clear that Canada's sovereignty had not been compromised. This point is a very important one because time and time again the Opposition has indicated that somehow our sovereignty has been compromised. It has not. I should like to quote the statement. It reads:

The United States will not be concerned with how Canadian authorities make changes in their forest management practices, when they do so or what form these changes take. Those are matters for Canadians to decide. The United States is concerned with the valuation measures and their impact on the export charge.

That is fair. We are maintaining the sovereignty issue. Mr. Speaker, I get the point and I see your finger; I thank you very much for this opportunity.

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, it is a pleasure to participate in this debate. I hesitate to ask the Hon. Member for Edmonton East (Mr. Lesick) to withdraw his last comment because I know you, Mr. Speaker, and would never consider the things of which he has accused you.

At any rate, the problem before us today is extremely serious. I think it has been a litany of errors down the road that has brought us to the situation with which we are dealing in the House today.

We must return to the period of 1983 when we won a case before the international trade agencies of the United States, which said that our stumpage was not a mechanism of subsidy—the finding was *de minimis*—and that basically we were not impairing the U.S. market with our timber exports. It was further stated by many people knowledgeable in the industry that Canada had made a great investment in additional productivity. We had made it ahead of the Americans. We had some of the most productive mills anywhere in the world.

The administration of U.S. forest lands was so poor that they hobbled themselves and created a situation where they could not access timber at a reasonable price. We wound up paying the price for incompetent administration in the United States and incompetent investment in its forest industry. If it had wanted to survive and prosper, plans should have been

developed and the errors should have been rectified. Instead, we have multinational companies, which operate in both Canada and the United States, going to the U.S. Government and saying "handicap Canada in terms of international trade so that we can get our game together". These are unacceptable procedures in international trade.

The essence of the problem is that when they failed the first time, they came back a second time with enormous political pressure on their own Government. This placed pressure on our Government, which yielded to them.

How did that yielding come about? I have a growing sympathy for my colleagues on the other side of the House. In the face of enormous adversity they are trying. They were placed in an interesting position. An election was in progress in the Province of British Columbia. A man, after some successes with solving one strike and hoping to make other conquests, thought that he would solve international trade problems single-handedly. The individual, Mr. Vander Zalm, the Premier of the province broke ranks with industry, labour, other Governments and the national Government in Canada and shot off his mouth in an absolutely inappropriate way. There is a problem with our stumpage rates, we will do a review on them and try to accede to American demands, he said, when it had been agreed across the country that we would maintain our efforts, present our case again where we would likely win it again. But Mr. Vander Zalm broke ranks with Canadians and, in an obviously thoughtless and ill-considered way, destroyed the Canadian case. He went even further, saying that if the rest of Canada did not see it his way he would go it alone and make a private deal with the U.S. It is a complete betrayal of international activity for the Premier of British Columbia to do that.

• (1300)

When a delegation leaves this House and meets other countries we generally put partisan activities aside and deal with an issue as Canadians, not as New Democrats, Conservatives or Liberals, but as Canadians looking for the best deal. We do not break ranks. We do not shoot from the mouth. We try to put Canada in the best possible light. Mr. Vander Zalm in a thoughtless and irresponsible way destroyed the unity of Canadian resolve and destroyed the case.

That is when the Government fell into a dreadful situation. The Government was then not capable of arguing any further after the Premier of British Columbia had admitted Canadian guilt. There was no way back. We had to go to the Americans to propose an alternative and I think we made a terrible mistake. We compromised our sovereignty and moved too quickly. The old saying that you should never light a fire to a bridge that you may have to crawl back over on your hands and knees was not recognized.

We should have offered to sell raw logs to the Americans on a contract basis. They should have been allowed to bid along with Canadians for raw logs for a maximum period of three years. The contract could have been renewed every six months